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LATE NEWS

Blast Reported At Iran Depot

NICOSIA (AP) — An explosion at the Tehran headquarters of the Revolutionary Guards Corps killed or wounded 500 militants, the Mujahidin Khalq, Iran's largest opposition group, reported Sunday.

In a statement sent from Iraq, the group said the blast occurred Saturday in the corps' arms and ammunition depot. Iran's official Islamic Republic News Agency said Saturday that a consignment of ammunition "accidentally detonated" at an unidentified Tehran garrison, injuring a number of people.

INSIDE TODAY



AP

Frank Carlucci, the new White House national security adviser, is consulting former Iran experts. Page 3.

GENERAL NEWS
■ A South African guerrilla killed two white police officers and escaped. Page 2.
SPORTS
Pat Cash rallied past Mikael Pernfors to win the Davis Cup title for Australia. Page 11.
BUSINESS/FINANCE
■ A new round of world trade negotiations failed to get off the ground. Page 7.
■ World business expansion is stronger in nine industrial nations. Page 7.

Sakharov Rejects Major Dissent Role

By Gary Lee
Washington Post Service

MOSCOW — Andrei D. Sakharov has said that he would decline a leading role in the Soviet dissident movement, saying that age and poor health compelled him to limit his activities to defending a few imprisoned dissident friends and resuming his career as a physicist.

Asked how banishment had changed his role in the movement he helped found, Mr. Sakharov said Saturday, "I have to limit myself somewhat." He said later, "Because of my psychological make-up and aspirations, I am not and cannot be leader of any movement."

He added: "My physical capabilities are limited. They have decreased."

He said that during a June 1984 hunger strike in Gorky, where he spent almost seven years in exile, "I had either a minor stroke or very deep seizures with very grave consequences. I was discharged from the hospital in very bad condition."

"I want to devote myself more to science," Mr. Sakharov said. "My years are passing, and this is very important to me."

In an interview with The Washington Post and three other U.S. publications, Mr. Sakharov, 65, looking weary and coughing occasionally, assessed President Ronald Reagan's Strategic Defense Initiative as not feasible militarily. But he also assailed the Soviet leadership for demanding that Washington drop it as a precondition for an arms accord.

He called the Kremlin stance, taken at talks in Reykjavik in October "completely illegal" and "ungrounded."

Mr. Sakharov was exiled to the city of Gorky in January 1980 after criticizing the Kremlin for its military intervention in Afghanistan.

A leading dissident during the 1960s and 1970s, he won the Nobel Peace Prize in 1975 and became the inspiration and conscience of the movement during his seven-year absence.

Mr. Sakharov said that he had agreed to accept an invitation to emigrate, but that he preferred to concentrate on the possibility of travel to the West. "I see an opportunity of trips to the West," he said, "not emigration, but trips with a return."

"But in principle I agreed to emigration at the invitation of the Norwegian parliament."

Interpreting the decision to end his exile, Mr. Sakharov said he believed that Soviet leaders aimed primarily to eliminate the barrier that his case posed for scientific and technical cooperation between the Soviet Union and other countries.

Yelena G. Bonner, his wife, sat nearby during the nearly two-hour interview, occasionally lending him support and words to fill the gaps when he fell into contemplation.

Mr. Sakharov has held several interviews, all arranged by Miss Bonner, since returning to Moscow on Tuesday.

Besides The Washington Post, Saturday's interviewers were the

See SAKHAROV, Page 5



AP

Andrei D. Sakharov

ON PAGE 2

■ Sakharov made an appeal for imprisoned dissidents.

■ Soviet television lent U.S. networks a studio to interview Sakharov.

Tamils, Sri Lanka Negotiate

First Direct Talks In 18 Months On Ethnic Strife

By Sanjoy Hazarika
New York Times Service

NEW DELHI — A Sri Lankan delegation has held talks with Tamil guerrillas in an effort to end three years of ethnic fighting that has cost thousands of lives. It was the first direct meeting between the two sides in a year and a half.

The meeting took place Saturday in the Tamil insurgent stronghold of Kankesanturai on Sri Lanka's northern tip, near Jaffna.

The four-member Sri Lankan group was led by Vincent Perera, a legislator from President Junius R. Jayawardene's ruling United National Party. Mr. Perera is a Sinhalese, but he apparently won the confidence of the main rebel group by arranging an exchange of prisoners between the two sides last week.

The talks come at a time of increased efforts by India to arrange a settlement of the issue. A team of Indian officials traveled to the Sri Lankan capital of Colombo earlier this month for talks with government officials and also met with Tamil rebel leaders based in Madras, the capital of Tamil Nadu State in southern India.

But the Indian officials said after the meetings that they were discouraged over the prospects for a negotiated peace. "Both sides have dug in their heels," said one participant in the talks.

Mr. Perera declined to comment on Saturday's session when he returned to Colombo.

An insurgent spokesman in Madras played down the talks, saying that the delegation led by Mr. Perera was aimed only at promoting better relations between Tamils and Sinhalese and did not constitute direct negotiations. But a rebel leader named Krishas was quoted

See TAMIL, Page 5



Claro Cortes/Reuters

Supporters of Ferdinand E. Marcos burned copies of newspapers and magazines on Sunday carrying stories about Corazon C. Aquino being named "Woman of the Year."

Aquino Named 'Woman of the Year'

The Associated Press

NEW YORK — President Corazon C. Aquino of the Philippines has been named Time magazine's "Woman of the Year" for 1986.

She said in an interview with Time that restoring belief in the government was an important achievement. But she added, "I don't want to say that this is my achievement. It is the Filipino people together who were able to believe in themselves because of what they were able to do in the election and then in the revolution."

Mrs. Aquino, who succeeded Ferdinand E. Marcos as president in February after a popular uprising, is the third woman to occupy the cover alone as person of the year. The others were Queen Elizabeth in 1952 and in 1936, Wallis Simpson, the late American divorcee whom King Edward VIII married after abdicating his throne.

Mrs. Aquino was chosen, the magazine said, because she "managed to lead a revolt and rule a republic without ever relinquishing her buoyant calm or her gift for making politics and humanity companionable."

Her revolution "with a human face was no less a triumph for women the world over," it said.

Time said that other people it considered for the cover of its year-end issue included Lieutenant Colonel Oliver L. North because of his role in the Iranian arms sales, and the Soviet leader, Mikhail S. Gorbachev, as the one likely to lead his country into the next millennium.

U.S. Continues New Radar Plan

Program Goes Ahead Despite Fears of ABM Violation

By Michael R. Gordon
New York Times Service

WASHINGTON — The United States is pressing ahead with plans to construct two new large radars in Greenland and Britain, according to officials, despite a renewed proposal from the Soviet Union and the opinion of some arms-control experts that the radars would violate the Anti-Ballistic Missile Treaty.

The Soviet Union repeated an offer, first made in 1985, this fall to decommission a radar being completed at Abalakovo, near Krasnoyarsk in central Siberia, if the United States would halt its radar being built in Greenland and abandon plans to build a new radar in Britain.

Some experts say the 1972 ABM treaty does not allow the United States to build the new radars. A government assessment prepared during the treaty negotiations suggests that the construction of these radars is not permitted. The treaty restricts the testing and deployment of missile defense systems.

But senior officials say that the radars are allowed. "The negotiating record and the treaty provisions clearly establish the legality of these radars," said Kenneth L. Adelman, the director of the Arms Control and Disarmament Agency. The administration insists that the Soviet radar is illegal.

In the 1970s, during the ABM treaty negotiations, the United States had one early warning radar system at Thule, Greenland, and another at Fylingdales, on the east coast of Britain. The United States did not plan to replace them with more advanced phased-array radar systems, which use advanced computers and electronics to track missiles. Air force plans called instead for greater use of satellites once the radars became obsolete.

During the negotiations, government experts prepared an assessment of what had been accomplished. Officials say that the assessment, completed in 1971 and still classified, stated that the United States would not be allowed to replace existing early-warning radars outside the United States with large phased-array radars.

But later the United States became interested in replacing the old radars. Reviews during the Carter and Reagan administrations concluded that this could be done with large phased-array radars.

The basic administration argument is that construction of the radars is allowed because the treaty allows the "modernization" of ex-

See RADAR, Page 5

Beijing Promises Reform

City Says Local Polls Will Be Contested

By Edward A. Gargan
New York Times Service

BEIJING — In a dramatic change in the way local elections are held in Beijing, the city government has announced that for the first time there will be more than one candidate for each seat in local legislative elections, which are to be held within six months.

"In order to promote democracy and in order to give the people the opportunity to select the candidates that they will be satisfied with, this time the election will have more candidates than slots available," She Diqing, a deputy chairman of the standing committee of the municipal people's congress, said Saturday in a speech to the committee.

The announcement, which appeared in Beijing Daily, followed an official crackdown on the wave of student demonstrations that have swept across China demanding wider democracy. On Friday, the committee issued a set of rules that in effect banned any public protest by students in the capital.

Although some Chinese villages and townships have offered two candidates for a seat in the local legislature, the larger cities operate on a system of a single candidate selected by the local Communist Party, with the voters given no say in who the candidate is.

Beijing Daily hailed the new policy of having more than one candidate for each race in the capital as promotion of greater democracy. It did not explain, however, how candidates would be nominated or how any election campaign would be conducted.

Beijing students erected two anti-government posters Saturday, United Press International reported. One said the government was "in every respect identical" to "the most tyrannical feudal despotisms we've had," except that it did not use the term ruler.

The other poster gave what was described as an account of an argument about democracy between Deputy Prime Minister Wan Li and the vice president of the Science and Technology University in the eastern city of Hefei in late November. Hefei students cited the argument as a reason for protests this month. The poster quoted Mr. Wan as saying, "Democracy can only be something which we can bestow on someone as a favor."

The large cities' system of hand-picking party candidates has been the root of at least one student protest. In Hefei, the capital of Anhui Province, students marched early this month to demand that they be allowed to choose candi-

See CHINA, Page 5

French Rail Workers Urge Demonstrations

By Axel Krause
International Herald Tribune

PARIS — Striking railroad workers called Sunday for demonstrations across France as Paris transit employees said they would resume work stoppages Monday.

Amid worries that the rail strike that started Dec. 18 would spread to other sectors, Prime Minister Jacques Chirac canceled a vacation trip to remain in Paris.

On Saturday, Jean Dupuy, director general of the state-owned SNCF rail network, renewed a pledge that if workers returned to work Monday, he would begin negotiations Tuesday on pay scales and working conditions.

Mr. Dupuy's appeal was rejected by the Communist-led General Confederation of Labor and another major striking union, the French Democratic Confederation of Workers, as well as autonomous worker groups that started the strike.

The Métro and bus strikes in Paris had been scheduled to begin Tuesday. Workers at electricity and gas utilities plan strikes starting Jan. 5.

By far the most significant strike involves the 230,000 employees of the SNCF. Strikers and the unions are opposing government moves to reorganize the railroad, which has been losing money.

The strikers appear determined to block the changes, which would restructure work rules and revise the current system of career advancement and privileges based on seniority.

"Look, we do not want to be promoted on the basis of merit," said a striking engineer in his early 30s. "Our system is a hierarchy, like a club, and that's the way we want to keep it."

He was speaking at the traffic control center in a Paris train station, the Gare du Nord, surrounded by about a dozen other striking engineers. They repeatedly stated that before talks with management could begin, the SNCF must withdraw a pay plan emphasizing merit in favor of seniority.

An older engineer, who said he had reached the highest category, earning about 14,000 francs ($2,160) a month, said:

"I now do the Paris-Lille express run, but it took me 25 years of hard, slow training and advancement to get there. We don't want the system changed, so that some younger kid whom management likes that day can be put in my spot — on a whim."

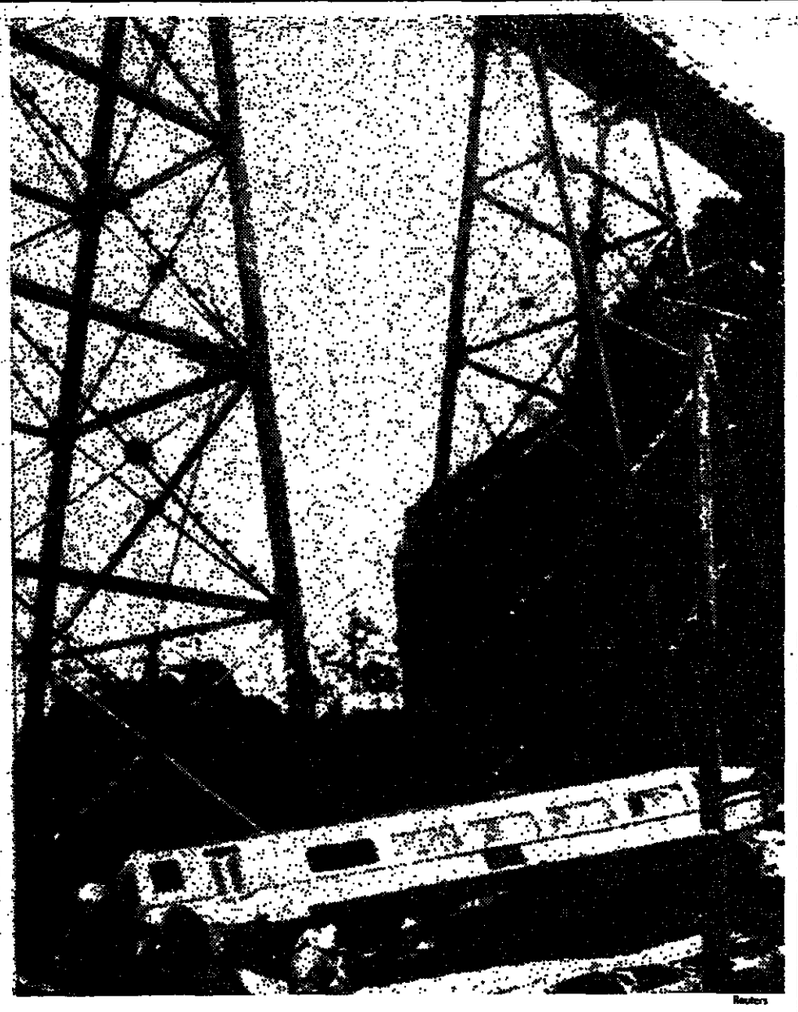
Other engineers and railroad workers conceded that SNCF employees enjoyed such privileges as lifetime free travel on French trains for SNCF employees and their families. Bonuses and allowances for the 17,000 engineers also add to their basic income.

Engineers interviewed declined to quantify the additional payments, but some said that these could add several thousand francs a month in the highest salary category.

That category currently groups about 4,200 engineers. The strikers want to expand the number of positions covered by this category and also seek wage increases after 18 months without a raise.

Responding to a recent SNCF proposal that salaries be raised by an average of about 3 percent, engineers that they first would seek retroactive compensation for 1985 and 1986, and then would "talk" about raising salaries in 1987.

In talks that broke off Tuesday, the SNCF offered a 1.7-percent increase for 1987, a 250-franc bonus effective Jan. 1 and 5,000 promotions, instead of 3,000 planned.



Reuters

6 Die as Train Plunges in Japan

Six and one-half train cars fell 135 feet off a bridge Sunday near Hamasaka, Japan, on the Japan Sea coast, killing six persons. A gust of wind estimated at about 54 mph reportedly hit the Japan National Railways train, which fell on a factory where five of the victims had been working.

New Iran Attacks in Gulf War Aren't 'Final Offensive,' U.S. Officials Say

By Don Oberdorfer
Washington Post Service

WASHINGTON — Iran's latest attacks in the Gulf war appear to be part of a limited operation that is falling far short of the offensive Tehran has promised, according to U.S. sources.

Roughly 8,000 to 15,000 troops on each side seem to have been involved in the two days of fighting that began Wednesday, according to U.S. sources, who emphasized that those were rough estimates. This was far fewer than the 700,000 or more troops believed to be massed on each side of the border.

Officials with access to U.S. intelligence from the area tended to discount the conflicting claims of a major victory that have been issued in both capitals.

One official said the fighting could be described as "some sort of border probe" by Iran.

Another official said the battle appeared to be a "fairly small-scale" military strike by Iran against three islands in the strategic Shatt-al-Arab waterway dividing the countries. He said Iraq seemed to have pushed back the Iranians.

An Iraqi military communiqué said its troops had recaptured Umm Rassas, the most important of the small islands attacked by Iran during the latest assault.

If Iran had managed to take and hold Umm Rassas, this could have been a militarily and politically significant development in the war, according to Western analysis.

President Ali Khamenei of Iran, addressing Moslem worshipers in Friday prayers at Tehran University, called Iran's attack "a small and limited operation" mounted in retaliation for recent Iraqi air raids in which several hundred civilians reportedly were killed.

Officials in Washington said the information available tended to confirm Mr. Khamenei's description of the assaults.

The official Iranian press agency, IRNA, said that 3,000 Iraqi soldiers had been killed and 6,500 wounded in the fighting.



WP

An Iraqi official, Major General Abdul-Jabbar Mohsen, said Friday that Iran had lost more than 10,000 troops in the offensive.

Iran's boasts of an impending "final offensive" against Iraq, together with its movement of large numbers of additional troops and war supplies to the border, raised the expectation, starting last summer, that a turning point for one side or the other might be near in the lengthy and bloody war.

Catholic Church Seeks to Create an 'Alternative Christian Culture' in the Third World

By E.J. Dionne Jr.
New York Times Service

ROME — When Pope John Paul II travels the globe, it is in the squalid slums of the Third World that his message seems most urgent and compelling.

During a visit to Guyaquil, Ecuador, last year, he visited El Guasmo, a sprawl of tin and bamboo shacks where the streets are usually nothing but mud and where several hundred thousand people often lack the most basic necessities.

In his address to the relatively small crowd that came to hear him, John Paul sounded like no one so much as Eugene V. Debs, the American Socialist who once said he was not free as long as someone was in prison.

"May no one feel tranquil," the pope said, "while in Ecuador there is a child without school, a family without a home, a worker without a job, an ill or elderly person without adequate attention."

Yet the same John Paul who can sound like a revolutionary advocate of the disinherited is also the pope who has battled unceasingly against efforts to "politicize" the Gospel.

Some Christians, he told the Latin American bishops in Puebla, Mexico, in 1979, "purport to depict Jesus as a political activist, as a fighter against Roman domination and the authorities, and even as someone involved in the class struggle."

"The conception of Jesus as a political figure, a revolutionary, as the subversive from Nazareth," he said, "does not tally with the church's catechesis."

That a pope should have to say such a thing is a sign of how much has changed in Roman Catholicism in the last two decades. Long regarded as a force for conservatism, Catholicism is now identified with revolutionary forces in many parts of the world.

At times, the church frowns upon this alliance, as in the support given by some priests to the Sandinist revolution in Nicaragua.

But as the pope's speeches on the poor have revealed, official Catholicism has also transformed itself. In seeking to win the Third World's loyalty, it is now prepared to carry its demands for relief to the wealthy capitals of the West, whence the first missionaries came.

A Jesuit theologian, Karl Rahner, argued that the big-

Vatican in Transition

John Paul and Dissent

Last of three articles

gest change brought about by the Second Vatican Council of 1962-65 may have been one that drew little notice at the time: the fact that the church became truly catholic, truly universal, truly worldwide.

The church's approach to the Third World and its move from a "colonialist" style of missionizing to a more indigenous approach have produced some paradoxes and some fundamental changes. Its emphasis since Vatican II on religious freedom — a break from the past — reflects the needs of a church that is still a decided minority in Africa and Asia.

A church that finds itself fighting many aspects of modernity in the West carries modern Western ideas with it when it preaches the Gospel.

Many African leaders who later became Marxists first learned from Catholic missionaries both the promises of salvation and how to read Western books, such as Marx's "Capital." A church attacked by feminists in the West often finds itself preaching a higher status for women in societies where polygamy guarantees male dominance.

In Cameroon, the church finds family-planning workers encouraging methods they usually scoff at — the "natural" methods sanctioned by the Vatican — because they are more readily accepted than pills and mechanical devices.

"The family planners hope that what we're doing will get people used to the contraceptive idea, and that they'll gradually move on to other things," said one Vatican priest.

And the challenge of liberal Protestantism in the developed world has its mirror image in the Third World in conservative, evangelical Protestantism. A more intellectual, centralized and sometimes politically radical Catholic Church finds itself in fierce competition in the villages and huts from an otherworldly, usually apolitical Protestantism that promises salvation without frills.

Yet it is in the encounter between two essentially Western ideas, Christianity and Marxism, that the Third World, and especially Latin America, has played the most remarkable role.

The Christian-Marxist dialogue began in Europe, spurred by two key encyclicals issued by Pope John XXIII in the early 1960s — "Pacem in Terris," or "Peace on Earth," and "Mater et Magistra," or "Mother and Teacher." They urged Catholics to work for peace and justice and freed them to be more open than in the past to good

See VATICAN, Page 5

Sakharov Makes Appeal For Jailed Dissidents

Scientist Uses U.S. Interview to Give List of Nine Detained for Their Views

New York Times Service

MOSCOW — Andrei D. Sakharov has used an interview to draw attention to several imprisoned dissidents and to urge that they be freed.

"There are many of them, it would be impossible to name them all," he said Saturday. "I would like to mention the names and plight of a few of them."

These are the prisoners he named:

● Genrikh O. Altunyan, 53, an engineer and radio technician from Kharkov in the Ukraine, who was arrested in 1969 for anti-Soviet activities after he signed a human rights appeal to the United Nations. He was arrested again in 1980 and sent to a labor camp in connection with his human rights activism.

● Vladimir Gershuni, editor of an underground literary publication in the late 1970s, and later a contributor to the bulletin of a group that attempted to organize a free labor union. A friend in Moscow said Saturday that he had been sent to a psychiatric hospital.

● Sergei Khodorovich, manager of a fund to aid political prisoners that was established by Alexander I. Solzhenitsyn, the writer. Mr. Khodorovich is serving a term in a labor camp.

"I recently received information that his situation is frightening," Mr. Sakharov said. "He has been held for 89 days in solitary confinement, which exceeds all physical limits."

● Anatoli Koryagin, 48, a psychiatrist who began serving a 12-year term in 1981. He was sentenced for anti-Soviet propaganda after he said that Soviet psychiatry was being used for political purposes. He is reported to be in serious condition in a prison in Chistopol where Anatoli T. Marchenko died this month.

● Merab Kostava, 47, a Georgian music critic who joined a group to monitor Soviet compliance with 1975 Helsinki accords on human rights. He was sentenced in May 1978 to three years in labor camp and two years in exile, and twice had his sentence extended.

● Mart Niklus, an Estonian ornithologist, who has been in prison since 1981. He was active in an Estonian nationalist movement and in January 1980 signed a letter protesting the intervention in Afghanistan.

● Yuri Shikhanovich, of Moscow, who was arrested in 1983 for his alleged role in producing the Chronicle of Current Events, an underground publication.

"Blind and deaf, he is forced to do dangerous work in a machine shop," Mr. Sakharov said. "Three of his fingers were cut off by a press, after which he became very ill."

● Alexei Smirnov, also connected with the Chronicle, who was arrested in 1982 and sentenced to six years of labor camp and four years of exile. Mr. Smirnov, 36, is the grandson of Alexei Kosterin, a veteran of the Bolshevik Revolution who was active in the dissident movement until his death in 1968.

● Serafim Yevsyukov, a former navigator for Aeroflot, who applied to emigrate in 1978 but was turned down, lost his job and has been periodically detained. His son has been imprisoned for evading the military draft on the ground that army service would preclude his emigration.

Moscow Lends Studio to U.S. TV

New York Times Service

WASHINGTON — The Soviet authorities, in an unusual move, permitted two U.S. television networks to use a Soviet studio to interview Andrei D. Sakharov.

Mr. Sakharov gave separate interviews to CBS News and NBC News on Friday from the Gostelradio television studios in Ostankino, the site of an old estate in Moscow. The interviewers, Charles Kuralt of CBS and Garrick Utley of NBC, conducted the interviews from their studios in New York.

Mr. Sakharov's comments were not much different from those he has given to several Western reporters. It was, however, believed to be the first time that the Soviet authorities had helped facilitate a dissident's interview with Western news organizations.



The Associated Press

Accidents Strike French, West German Winter Resorts

A cable car cabin crashed 40 feet into a parking lot at the French Alpine skiing resort of Les Orres on Saturday. The accident, which occurred when the top of a pylon snapped off, injured 36 persons, 12 of them seriously. At Garmisch-Partenkirchen in the Bavarian Alps, below, firemen fought a fire after a gas explosion tore through a hotel on Saturday, killing seven persons and injuring at least 12.



The Associated Press

Iraqi Security Men May Have Helped Jet Hijackers, Jordanian Official Says

By Paul Lewis
New York Times Service

AMMAN, Jordan — The Iraqi authorities have started an investigation into the possibility that security officers at the Baghdad airport aided the hijackers who tried to take over an Iraqi airliner on Thursday, according to a senior Jordanian official.

The Iraqi Airways Boeing 737 crash-landed at a remote Saudi airfield and burst into flames after a shoot-out on board between the hijackers and security guards and the explosion of several grenades.

The Saudi authorities have said there were 107 people on the plane, which was bound for Amman.

[The Iraqi News Agency gave the names Sunday of two captured hijackers and listed 67 persons killed, United Press International reported from Nicosia. The agency identified the hijackers as Ziad Hanna Al Asmar and Elia Georgos Hanna, and said both held Lebanese passports.]

The Jordanian source, whose information is based on reports from survivors and contacts with Iraq and Saudi Arabia, said that security at the Baghdad airport normally was tight.

But the airline was in a hurry to load the plane, the official said, and the normal checks and precautions appear to have been relaxed.

The source said the Iraqi authorities were carrying out "an intensive investigation" into the possibility that the hijackers got help from security guards.

Security men aboard the airliner had been badly deployed, the source said, with all of them placed in the rear and no one guarding the entrance to the cockpit.

As a result, a hijacker was able to run down the aisle and attack the cockpit with hand grenades before guards shot and wounded him. A gunfight then broke out in the rear of the plane between guards and other hijackers, survivors have said, while the plane crash-landed. It then broke in two and caught fire.

The senior Jordanian official said that Saudi Arabia was holding two of the hijackers, who were wounded on the plane. Two other hijackers are thought to have been killed.

So far, five different Shiite movements in Lebanon have claimed responsibility for the hijacking.

■ Islamic Jihad Denies Role

The pro-Iranian Islamic Jihad group denied Sunday that it had tried to hijack the Iraqi plane, Reuters reported from Beirut.

"We deny reports that Islamic Jihad was behind the hijacking of the Iraqi plane," said a typewritten statement delivered to an international news agency.

It was accompanied by a photograph of Terry A. Anderson, the Middle East bureau chief for The Associated Press, who is being held hostage in Lebanon. Islamic Jihad has said it holds Mr. Anderson and four other men.

An anonymous caller claiming to speak for Islamic Jihad told news agencies on Friday that it had staged the hijacking attempt in cooperation with al-Daa'wa, a Moslem fundamentalist group.

That claim was not backed up by photographs or video tapes of Islamic Jihad hostages, which the group had said would accompany its statements to guarantee their authenticity.

Pravda Cautions Republics On Nationalist Sentiments

United Press International

MOSCOW — The Communist Party newspaper Pravda warned Sunday that the growth of nationalist sentiments in the Soviet Union's 15 republics would not be tolerated and said the governing of republics by locals led to nepotism and inefficiency.

The editorial, to mark the 64th anniversary of the formation of the Union of Soviet Socialist Republics on Dec. 30, appeared to be directed at recent rioting in the Central Asian republic of Kazakhstan. Officials have blamed the rioting on "nationalistic elements."

The rioting on Dec. 17 and 18 was apparently triggered by the appointment of a Russian to head the Kazakhstan Communist Party. The Russian replaced a local ethnic Kazakh whose 25-year-rule in the republic, which borders China, was attacked by the Soviet leader, Mikhail S. Gorbachev, as corrupt.

The rioting, which resulted in the destruction of government property in the capital of Alma-Ata, was the first civil unrest officially reported in 25 years.

Pravda defended the Kremlin policy of placing more ethnic Russians in important positions in the non-Russian republics and said that nationalism must come second to the "interests of the state."

Rebel Kills 2 Policemen, Escapes in South Africa

By Alan Cowell
New York Times Service

JOHANNESBURG — A captured black nationalist guerrilla has killed two white police officers and escaped after a series of skirmishes in northern South Africa. Four other guerrillas were shot to death, the police said.

The incident on Saturday reflected a rare, if modest, setback for the South African security forces dealing with insurgents who are said to belong to the outlawed and exiled African National Congress.

In other developments, relatives of a 20-year-old black political detainee who died after being transferred from prison to a hospital said that they did not believe the official report of his death, which cited epilepsy.

As vacationers headed for the coast, witnesses told of racial fighting or other incidents between blacks and whites contesting the same southern beaches. Some of the beaches are segregated by law.

The authorities drained a swimming pool near Durban after clashes there between scores of blacks and whites.

In northern South Africa, the police said the guerrilla who escaped Saturday had been captured after a white farmer on a hunting trip stumbled upon a group of five suspected insurgents near Weipe, a remote town in the northern Transvaal. The security forces pursued the guerrillas, shooting three to death on Friday and a fourth early Saturday, the police said.

South Africa has severely restricted the reporting of unrest or dissent. Correspondents may be fined or imprisoned for failing to submit to censors articles that contravene regulations.

The captured insurgent was being driven to Messina, a border town, when he broke free, seized a loaded weapon and killed the two white police officers.

South African political commentators said their deaths would provoke widespread white outrage and demands for reprisals.

In publicizing the incident, the authorities may have been seeking to justify a major tightening earlier this month of the country's emergency decree, put in force June 12.

The security forces said the group of guerrillas had crossed the Limpopo River border with Zimbabwe to lay land mines in farms in the northern Transvaal owned by conservative whites.

The African National Congress has said that it regards those areas as military targets because farmers are armed and maintain radio contact with the security forces.

On Friday, Bishop Simeon Nkoane, the Anglican bishop suffragan of Johannesburg East and a prominent anti-apartheid activist, said he had visited the parents of Simon Marule, 20, a prominent, black advocate in Duduza township, who died Dec. 23 after being transferred to a hospital from a prison east of Johannesburg.

Bishop Nkoane said the parents had disputed the official version of events that their son died of epilepsy, since, they said, he had always been healthy and had shown no sign of being epileptic.

■ Runway Linked to Arms

South Africa is planning to build a runway on its remote Marion Island in the Antarctic that could be used to develop the island as a site for nuclear missile tests, possibly with Israeli help, an article in the Observer newspaper said Sunday, according to a report from London by The Associated Press.

The liberal weekly said South Africa's Department of Environmental Affairs had decided this month to go ahead with the £4 million pound ($5.8 million) runway.

The newspaper quoted Frank Barnaby, the former director of the Stockholm International Peace Research Institute, which produces authoritative annual reports on world armaments, as saying: "South Africa probably exploded a nuclear test device in this area in 1979 and the airstrip is very likely to have military implications."

Soviet Demands That West Stop Meddling in Chad

Agence France-Presse

MOSCOW — The Soviet Union has demanded an end to all "imperialist interference" in Chad, notably by the United States and France.

The official press agency Tass said Saturday that "the imperialist states, above all the United States, prefer to fan the flames rather than promote a rapid normalization in Chad."

The Chadian government has accused Libya of launching a major offensive against pro-government positions in the far north of the country, near the Libyan border. Libya has said the fighting involves only Chadian rebel forces and government troops.

President Ronald Reagan has approved the shipment of up to $15 million in military equipment to Chad. The first shipment arrived Dec. 22. France also has been providing military aid. Tass said that "French planes were carrying weapons to the combat zone."

Dumas Malone, Biographer of Thomas Jefferson, Dies at 94

United Press International

CHARLOTTESVILLE, Virginia — Dumas Malone, 94, who won a Pulitzer Prize for his biography of Thomas Jefferson, died here Saturday after what his family said was a brief illness.

Evaluation Changed

New York Times Service

Mr. Malone's multivolume biography gave him a reputation as the foremost authority on the life of Jefferson. His work on the six books collectively titled "Jefferson and His Time" spanned four decades. It was awarded the Pulitzer Prize for history in 1975. The series was not completed until 1981.

"To all who cherish freedom and abhor tyranny in any form," he wrote in the final volume, Jefferson "is an abiding symbol of the hope that springs eternal."

Mr. Malone began work on "Jefferson and His Time" in 1943. He continued studying and writing about the author of the Declaration of Independence for more than 40 years, even in near-blindness when his eyesight failed in 1977.

At his death, he was the biographer-in-residence for the Thomas Jefferson Memorial Foundation and a professor emeritus of history at the University of Virginia.

During his career Mr. Malone's overall view of Jefferson became more favorable, although he also came to know more about his shortcomings.

In an interview in 1984, Mr. Malone said he especially admired Jefferson and other Founding Fathers for being deep readers and questioners.

He contended that later leaders came to lack that profundity. He said that Jefferson and his colleagues "thought more about the future, and they knew more of the past."

Elsa Lanchester, 84, British Character Actress

LOS ANGELES (Reuters) — Elsa Lanchester, 84, the British-born actress who starred as "The Bride of Frankenstein" and made many memorable films with her late husband, Charles Laughton, died Friday of bronchial pneumonia at a hospital here.

The actress, who specialized in playing eccentric spinsters and witty dowagers in her 50-year career, left no family or relatives.

Her more than 40 films included "The Private Life of Henry VIII" (1932), "Vessel of Wrath" (1936), "Rembrandt" (1937), "The Spiral Staircase"(1945), "Witness for the Prosecution" (1957) and "Mary Poppins" (1964). She made her last film, "Murder by Death," in 1978.

Marjorie Child Husted, 94, Helped Create Betty Crocker

MINNEAPOLIS (AP) — Marjorie Child Husted, 94, an advertising executive who oversaw the creation of Betty Crocker and was the fictional homemaker's voice on radio, died here Tuesday.

Miss Husted began her career with the Washburn-Crosby Co. in 1924, four years before the company merged into what is now known as General Mills, which still uses Betty Crocker as the symbol of its products.

■ *Other Deaths:*

John W. Macy Jr., 69, a former chairman of the United States Civil Service Commission and a career public servant for more than 30 years, Dec. 19 of a heart ailment at his home in McLean, Virginia.

Sir Harry Platt, 100, a founding father of modern orthopedic surgery, Saturday at his home in Manchester, England. No cause of death was announced by his family.

Tania Derval, 91, former director of the Folies Bergères cabaret and longtime Parisian socialite, Dec. 19 at her home in Paris.

Richard J.H. Johnston, 76, an author, lecturer, journalist and war correspondent for The New York Times who was one of the few reporters to receive a Purple Heart medal, Wednesday following a stroke in Winter Park, Florida.

Helen Thurber, 84, an editor and the wife of James Thurber, Dec. 22 in Norwalk, Connecticut.

Pete Crivaro, 73, mayor since 1979 of Des Moines, Iowa, Wednesday at the Des Moines hospital where he was being treated for brain cancer.

Eric W. Allen Jr., 66, former editor of the Medford Mail Tribune, Thursday in Medford, Oregon.

Robert L. Flora, 57, a photographer for United Press International who photographed eight U.S. presidents and five Olympic Games in his 34-year career, Thursday after a long illness in Long Beach, California.



AP

Dumas Malone



AP/1939

Elsa Lanchester

U.S. Prosecutor Found Dead

United Press International

LOS ANGELES — Darrell MacIntyre, 52, an assistant U.S. attorney, apparently committed suicide in a car in the Pacific Palisades area Saturday evening, a coroner's official said. The Los Angeles police and the Federal Bureau of Investigation declined to release details in the case.

Mubarak Visiting Jordan

United Press International

CAIRO — President Hosni Mubarak flew to Jordan on Sunday for a 24-hour visit that is to include policy coordination talks with King Hussein before next month's Islamic summit conference, officials said. Officials said the talks would cover the Iraq-Iran war, the stalemate in Arab-Israeli peace efforts and bilateral relations.



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DEATH NOTICE

John DU PUY
Born March 22, 1914 in New York. Son of Harry Wilfred Du Puy, and Lily Du Puy, born Hilliker.
Died December 25, 1986 in Lausanne, Switzerland.
The funeral service will take place at the Scots Kirk, Lausanne, December 30, at 1:30 p.m.

WORLD BRIEFS

India, Pakistan Cite Progress in Talks

ISLAMABAD, Pakistan (Reuters) — Indian and Pakistani officials ended two days of talks here Sunday reporting progress but no formal agreement in efforts to improve strained relations between their countries.

A.P. Venkateswaran of India and Abdul Sattar of Pakistan, both Foreign Ministry secretaries, said they would meet again early next year in New Delhi to resume the talks, which covered proposed treaties against using force in bilateral relations and against attacking each other's nuclear sites.

Both men said progress had been slow in the normalization process between the two countries, which have fought three wars since their independence from Britain in 1947.

Palestinian Editor Expelled by Israel

TEL AVIV (Reuters) — Israel expelled a Palestinian newspaper editor, Akram Haniyeh, from the occupied West Bank on Sunday after he abandoned a two-month struggle against a deportation order. His attorney said he would seek refuge in Algeria.

Mr. Haniyeh, 33, editor of the East Jerusalem daily Al-Shaab, was accused of being a senior member of the Fatah faction of the Palestine Liberation Organization and of using the newspaper's offices to organize PLO activities.

Mr. Haniyeh dropped a Supreme Court appeal against his expulsion on Friday after the court decided to keep the evidence against him secret. He said the decision made a fair trial impossible.

Moscow Replaces Film Industry Chief

MOSCOW (Reuters) — The Soviet Union announced Sunday the retirement of the head of the country's film industry, Filipp Yermash, a leading opponent of a thaw in the Soviet arts.

The official press agency Tass said Mr. Yermash, 63, head of Goskino, the state film committee, since August 1972, had been replaced by Alexander Kamshalov, 54, the former head of the cinema section in the Communist Party Central Committee's Culture Department.

Mr. Yermash has come under regular attack in the official press over the last two years for his administration of the industry. Articles in the Communist Party newspaper Pravda have accused him of personal responsibility for stagnation in the Soviet cinema and of resisting a more open cultural policy.

Casey 'Fully Conscious,' Hospital Says

WASHINGTON (WP) — William J. Casey, the director of the Central Intelligence Agency, who was reported earlier to be in a semi-coma following surgery to remove a cancerous brain tumor, was "fully conscious and able to sit up in a bedside chair" on Friday, according to Georgetown University Hospital.

A hospital spokeswoman, Robin Payes, said Mr. Casey "remains in stable condition." She refused to say whether Mr. Casey, 73, who underwent five and a half hours of surgery Dec. 18, had the use of other functions, including the ability to speak, walk or eat.



Reuters-UPI

William J. Casey

Dr. William R. Shapiro, a professor of neurology at the Memorial Sloan-Kettering Cancer Center in New York, said that the change described by the hospital indicated "a major improvement because it's going in the right direction."

Tunisian Says Libya Ties Still Blocked

TUNIS (AFP) — Foreign Minister Hedi Mabrouk has said that continuing financial disputes are blocking a resumption of relations between Tunisia and Libya.

Speaking to Parliament on Saturday following reports that a Tunisian delegation had visited Tripoli to discuss a renewal of ties that were broken by Tunis in September 1985, Mr. Mabrouk said there had been "no fundamental change in relations" between the two countries.

"Nothing indicates that there will be an imminent normalization in our relations," he said. Mr. Mabrouk said that discussions between the two sides were continuing, "not without difficulty," and had concentrated on compensation for about 30,000 Tunisian workers expelled by Libya in August 1985.

Accused Israeli Spy Pleads Not Guilty

JERUSALEM (Reuters) — Mordechai Vanunu, an Israeli nuclear technician, pleaded not guilty to treason and spy charges Sunday as his trial opened in Jerusalem amid special measures to isolate him from the public and press.

Mr. Vanunu, 31, was driven to court in a van with painted-over windows and a blanket stretched behind the driver to shield passengers from view. A sheet was stretched from the van door to the entrance of the court building, and Israel Radio said Mr. Vanunu was moved inside with a burlap sack over his head. After the hearing, guards shielded him from public view with an umbrella.

Mr. Vanunu could face life imprisonment if convicted. He reappeared in Israel after vanishing from London on Sept. 30 and claiming he had been kidnapped by Israeli agents. He allegedly had given the Sunday Times descriptions of Israel's Dimona nuclear plant, where he worked for 10 years. State radio said his trial was expected to resume in six weeks.

U.S. Role in Contra Airstrip Is Denied

SAN JOSE, Costa Rica (Reuters) — A former Costa Rican government official has described reports linking the U.S. ambassador here to a secret airstrip for Nicaraguan rebels as fantasy.

The New York Times reported, quoting an unidentified Central American government official, that the U.S. ambassador, Lewis A. Tambs, asked at least seven times that the airstrip be reopened for use by planes ferrying supplies to Nicaragua's contra rebels.

"All this is a fantasy made up by the enemies of Ronald Reagan," Benjamin Piza, the former minister of public security, told the La Nacion newspaper. He said he personally had requested its construction for the training of Costa Rican security forces. A U.S. Embassy spokesman, Mark Krischik, said that Mr. Tambs "denies specifically" that he pressured the Costa Rican government to reopen the airstrip.

Plane Crash on Fijian Island Kills 11

NADI, Fiji (AP) — An island commuter plane crashed short of the runway at Fiji's Nadi International Airport on Saturday, killing 11 persons, including five Americans, police said.

Fourteen passengers were aboard the four-engine De Havilland Heron aircraft.

DOONESBURG



AMERICAN TOPICS

Rising Rio Grande Stems Alien Tide

The Rio Grande, usually a muddy trickle, is at a torrential 40-year high, stemming the tide of illegal immigrants who can wade the stream at normal periods, The New York Times reports. The high water, caused by several years of above-average rain and snow in the mountains of New Mexico and Colorado, also has led to the drowning of 23 aliens this year, compared with nine in all of 1985 and five in 1984.

The river forms the U.S.-Mexican border for 1,300 miles (2,100 kilometers) of its length. Since it began to rise, fewer aliens have been caught by Border Patrol agents: 15,553 in November, down 22 percent from the same month last year.

"I drove the river recently and I didn't see any place where the river could be waded," said Joe Aubin, a Border Patrol agent. "To get across you have to come across in a boat, which you see operating on the river, or you have to take your clothes off and swim. How many people want to do that?"

Short Takes

A $5 million campaign has begun to build a monument in Washington to law enforcement officers killed in the line of duty. Congress approved the idea that was proposed two years ago by Representative Mario Biaggi, Democrat of New York. Mr. Biaggi was wounded 10 times while he was a New York City policeman and was the most decorated officer in the force's history when he retired from it in 1965.

Griffin O'Neal, son of the actor Ryan O'Neal, has been found guilty of negligence in the death of Gian-Carlo Coppola, son of the director Francis Ford Coppola, but not guilty of manslaughter in a boating accident in May near Annapolis, Maryland. The younger Mr. Coppola, 23, was killed when the motorboat that Mr. O'Neal, 22, was operating went between two boats and a tow line struck Mr. Coppola in the head, flinging him to the deck and smashing his skull. Sentencing was scheduled for Feb. 27.

Two men in King Kong suits were stranded atop a theater marquee in Albany, Oregon, when someone removed the ladder. The two, engaged in a promotional stunt for the film, "King Kong Lives," had to be rescued by the fire department.

Notes About People

A proposed town-house development near Carmel, California, was stopped in its tracks even though the city had offered $3.75 million for the property. The owner of the historic 22-acre (9-hectare) Mission Ranch turned down that offer, and Mayor Clint Eastwood, who doubles as a film star, coughed up a reported $5.5 million of his own money. He promised that the Carmel Heritage preservation group could manage the land for him. The Los Angeles Times commented, "Other politicians may solve a problem by throwing money at it, but few, if any, have offered to throw their own money."

Both Julie Nixon Eisenhower and David Eisenhower are on The New York Times best-seller list. Mrs. Eisenhower in ninth place for her biography of her mother, "Pat Nixon: the Untold Story," and her husband in 15th place for his biography of his grandfather, "Eisenhower at War: 1943-45."

Jack F. Kemp, a former professional football quarterback and now a New York congressman who is expected to seek the



UPI

Jack F. Kemp practicing with the Buffalo Bills football team in 1966.

1988 Republican nomination for president, is organizing an elaborate fund-raising weekend around the Super Bowl on Jan. 25 in Los Angeles. Tickets for the weekend cost $5,000 a couple, plus $75 per ticket for the game. The New York Times recalls: "Mr. Kemp never played in the Super Bowl. In fact, cruel history records that in 1967 he threw the pass interception that sent the Kansas City Chiefs into the first Super Bowl instead of his team, the Buffalo Bills."

Jonathan Schell, the film actor and director, discussing the difficult time he had in getting **Marlene Dietrich's** cooperation for her current film biography, "Marlene," says that "she insisted on me doing it, but she kept calling it 'this intrusion on me.'" He vowed that this would be his last foray into documentary films, with one caveat: "What if Garbo asked me to do one about her?"

—ARTHUR HIGBEE

New Security Council Staff Consults Former U.S. Iran Experts

By Bernard Gwertzman
New York Times Service

WASHINGTON — The new National Security Council staff has sought the advice of a group of former Iran experts in the government to help produce a policy toward Iran that would avoid the mistakes of the arms-for-hostages operation.

Frank C. Carlucci, who is to officially take over Friday as the White House national security adviser, has given priority to formulation of *an Iran policy, an aide said Saturday.*

The aide said the policy would deal not only with how the United States should approach Iran, but also with what to do to help free Americans being held hostage in Lebanon by groups close to Iran.

The plan to tap outside expertise was separate, White House officials said, from the announcement Friday that David M. Abshire, the departing delegate to the North Atlantic Treaty Organization, would become a counselor with cabinet rank to coordinate White House strategy on the Iran-Nicaragua crisis.

"Abshire will be dealing with what happened in the past; the NSC will be looking ahead to the future," a White House aide said.

The revelations about the National Security Council staff's involvement in arms sales to Iran and the diversion of funds to Nicaraguan rebels led to the resignation of the previous security adviser, Vice *Admiral John M. Poindexter, and a* series of major personnel and structural changes.

The council aide said that Mr. Carlucci was trying to rectify the credibility problem caused by the disclosures of the secret arms sales to Iran to free hostages, which occurred at a time when the official policy was to oppose such sales and not to pay ransom.

The revelations also have caused a breakdown in policy-making in the government that Mr. Carlucci hopes to repair, an aide said. There also are many questions remaining on how the policy ever got started and how it seemed to continue unsupervised. Special investigations in the Senate and House of Representatives are to begin next month.

Robert B. Oakley, who is to be in charge of Middle Eastern affairs on the National Security Council staff, organized a meeting at the State Department this month at which a group of aides with long expertise in Iran and Middle East affairs expressed to senior officials their criticism of the arms-for-hostage approach.

Those officials included Michael H. Armacost, undersecretary of state for political affairs, who has been assigned by Secretary of State George P. Shultz to coordinate future Iran policy. All the officials, however, endorsed the idea of seeking an opening in relations with Iran under proper circumstances.

Those at the meeting were Gary Sick, the Iran specialist on the National Security Council under President Jimmy Carter; William B. Quandt, who was in charge of Middle East affairs on the council staff for Mr. Carter; and Harold H. Saunders, who was in charge of Middle East affairs on the council under President Richard Nixon and was assistant secretary of state for Near East and South Asian affairs for Mr. Carter.

Mr. Sick, Mr. Quandt and Mr. Saunders are part of a loosely organized group of Middle East experts who have only occasionally been consulted by the Reagan administration. Mr. Quandt said Saturday that this was the first time he had been consulted since he was briefed on President Ronald Reagan's *Middle East initiative of Sept. 1,* 1982.

The three also are close friends of Mr. Oakley, who was in charge of the State Department's anti-terrorism policy. Mr. Oakley was not informed about the secret hostage negotiations being carried out by Lieutenant Colonel Oliver L. North, who was his counterpart on the National Security Council staff.

Mr. Sick and Mr. Saunders were deeply involved in the negotiations to free the U.S. Embassy hostages in Iran from late 1979 to early 1981, but this was the first time their expertise had been sought on hostage negotiations by the Reagan administration, Mr. Quandt said Saturday.

Mr. Saunders said he, Mr. Sick and Mr. Quandt agreed that it was "quite sensible" to open the door to Iran. The administration says that was one of the stated goals of the initiative it began in 1985.

"If you conduct a dialogue for the future," he said, "it should start with the proposition that we want a long-term relationship with Iran and that Iran should join the family of nations and accept the rules."

These include, Mr. Saunders said, that they should agree to "peaceful settlement of disputes," that they should oppose the taking of hostages and not support those who do. He said the United States should make it clear that while "we would be glad to talk about what we have in common, a fuller relationship, including the sale of arms, won't be possible until this is accomplished."

He said he supported the administration's previous policy, subsequently resurrected, of opposing *the sale of arms to Iran by anyone.*

Mr. Quandt said that he won approval at the meeting for his view that a mistake made by the administration was in allowing the Israelis to serve as the broker for the United States in the dealing with Iran.

He said that "we should have kept the channels to Iran separate as much as possible" because this was sure to undercut American interests with the Arabs.

Reagan Cites Advance In Soviet-U.S. Relations

By Bernard Weinraub
New York Times Service

LOS ANGELES — President Ronald Reagan has offered an optimistic view of the year in terms of superpower relations, saying that "this year, relations between the United States and the Soviet Union advanced."

In his weekly radio address Saturday, the president added that "1986 has been a good year for the cause of human freedom and good for the cause of world peace."

Mr. Reagan made the broadcast on the day he arrived here from Washington for a weeklong vacation in Los Angeles and Palm Springs, California.

Before he left Washington, the White House issued a statement in which the president urged the Soviet Union to offer a "realistic timetable" for the withdrawal of troops from Afghanistan. He said in the statement that the United States *strongly endorsed "resistance" ef*forts by the Afghan people.

In his radio address, Mr. Reagan said that during the meeting with Mikhail S. Gorbachev in Reykjavik in October, "it was clear the differences in our positions on arms reduction had narrowed considerably."

"In the year ahead," Mr. Reagan said, "both sides are in a good position to build on what has been accomplished."

"As the song puts it, it was a very good year," the president said.

Discussing 1986, Mr. Reagan made only brief mention of the Iran crisis.

"Living in a time of great change as we do, it is easy to be apprehensive, especially about events on the international scene," he said. "The Iran controversy has certainly been a disappointment for all of us.

"Nonetheless, I am committed to getting all the facts and fixing whatever went wrong," Mr. Reagan said.

In the statement on Afghanistan, Mr. Reagan said, "Only a comprehensive settlement which ensures genuine independence, nonalignment, and the safe and honorable return of refugees can bring about the process of national reconciliation and the rebuilding of Afghanistan." The statement came on the seventh anniversary of Soviet intervention in Afghanistan.

Despite Mr. Reagan's positive comments about American-Soviet relations in his radio speech, the statement on Afghanistan contained blunt language about the Soviet Union. Mr. Reagan said the Afghan resistance needs "the support of governments and people everywhere."

"The Soviets must be made to understand that they will continue to pay a higher and higher price until they accept the necessity for a political solution involving the prompt withdrawal of their forces from Afghanistan and self-determination for the Afghan people," the president said.

Mr. Reagan said there were 116,000 to 118,000 Soviet troops in Afghanistan.

He said, "The Afghan people did not invite the Soviets to bomb and burn their villages, to maim and orphan their children, to rewrite their history, and to spurn their religion and culture."

Mr. Reagan dismissed Soviet talk of peace in Afghanistan as "empty gestures," and he likewise dismissed what he termed the "sham withdrawal" in October of several Soviet regiments.



Dennis Cook/The Associated Press

President and Mrs. Reagan waved to welcomers as they arrived in California for a New Year holiday vacation.



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U.S. Cardinal Is Forced To Cancel Israel Talks

The Associated Press

NEW YORK — Cardinal John J. O'Connor has said he has been forced to cancel meetings with Israeli officials because the meetings violate Vatican protocol.

At a news conference Saturday before leaving for the Mideast, the Roman Catholic archbishop of New York said that he had "failed to check Vatican protocol." He said he asked that his schedule be suspended until he arrived in Israel.

Cardinal O'Connor is to visit Israel after spending three days in Jordan, where he is to meet with King Hussein.

On Friday, Israeli officials expressed surprise after the Vatican's Jerusalem diplomatic mission canceled Cardinal O'Connor's appointments with Prime Minister Yitzhak Shamir and Foreign Minister Shimon Peres.

The Israelis said they were told that Cardinal O'Connor could only meet the officials outside of their offices. Israeli officials said Mr. Peres had initiated the invitation for the visit.

[The changes appeared to be an effort to eliminate any hint that Cardinal O'Connor was having official political contacts with the Israeli government or recognizing its control over Jerusalem, Israeli officials told The New York Times.]

Cardinal O'Connor said Saturday evening that meetings with Mr. Shamir and Mr. Peres still were possible, but that he could not call on either officially.

He said that the "issue is control of Jerusalem." He added, "No cardinal has visited a chief of state in Jerusalem."

Rabbi Alexander M. Schindler, the president of the Union of American Hebrew Congregations, said it was "disappointing" to learn "that Cardinal O'Connor may be required by higher authority to snub the president of Israel and mayor of Jerusalem by refusing to call on them in their official capacities, particularly since there is apparently no objection to his being received by the king of Jordan."

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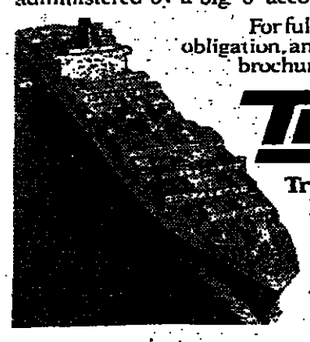
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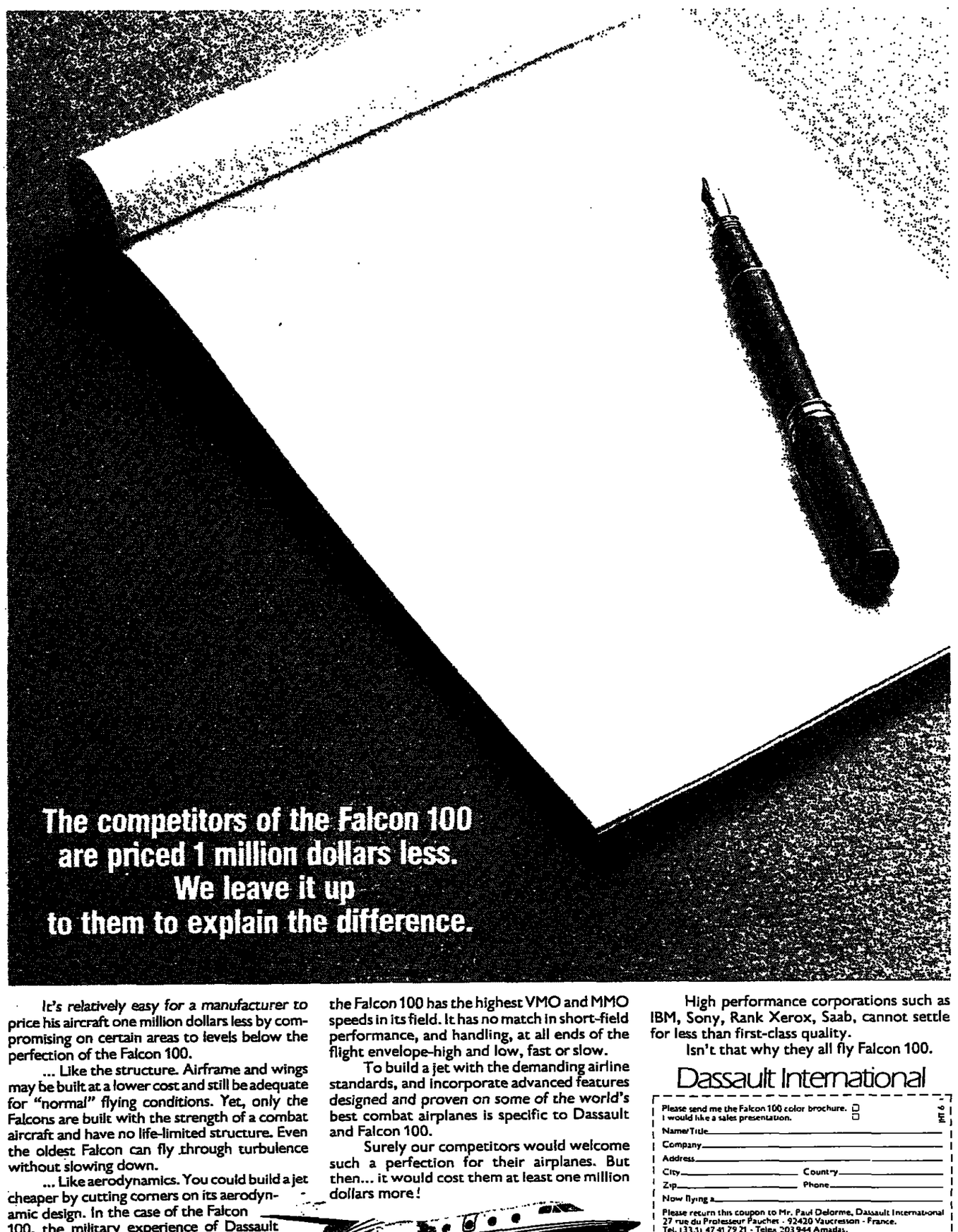
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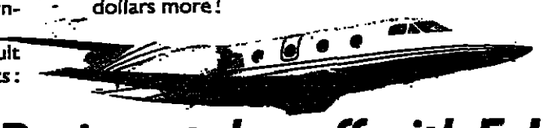
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OPINION

Perils of Making Bombs

Facilities for producing America's nuclear warheads are decrepit, safety procedures lax and management complacent. The Reagan administration did not create these problems but it has made them worse.

It doubled production of nuclear warheads since 1980, mostly for new weapons ordered by the Carter administration, but spent little to modernize the aging plant. Now, maybe just in time to avert a serious accident, the Department of Energy has placed some plants under new management and ordered others shut down. It's a step toward protecting health, and national security, but too small and too aimless.

Nuclear warhead production is a huge industrial enterprise with 90,000 employees and assets worth $25 billion. The 18 major sites in its assembly line stretch from Hanford, Washington, to Savannah River, South Carolina. Given the importance to security and the dangerous materials involved, it's astonishing that, as Matthew Wald has reported in The New York Times, the industry seems to be "frozen in time, operating year after year with the equipment of the 1950s and 1960s." Thousands of workers are at risk from antiquated machines and safety procedures more appropriate to World War II.

The Department of Energy's major task is to oversee the plutonium complex, to which it devotes two-thirds of its budget. Yet it took the disaster at Chernobyl to force the department to pay attention to its similarly designed plutonium production reactor at Hanford. One consultant who was asked to assess the Hanford reactor noted the widespread complacency at Chernobyl, adding that "I have found the same problem here." Two of the four consultants recommended the plant be closed permanently unless urgently required by the national defense. The department says it is so required, and this month ordered the reactor closed temporarily to improve safety.

Complacency in handling plutonium is rife at another part of the vast Hanford complex, the plutonium finishing plant. Capping a long record of safety violations, workers almost caused a lethal accident in October by transferring plutonium in a way that risked inducing a nuclear chain reaction. That close shave moved the department to shut the plant indefinitely.

Worker and environmental safety are neglected throughout the nuclear warhead industrial complex. At the ingot-making plant in Fernald, Ohio, a blanket of uranium dust used to cover the plant. Common practice throughout the complex is to dump hazardous and radioactive materials nearby, so that the soil and ground water often are seriously contaminated.

The reason for the neglect is that the Department of Energy is oriented toward production, not safety, and can write its own rules free of the Nuclear Regulatory Commission oversight. Of $7.5 billion the department received this year for military activities, only 9 percent was allocated for managing nuclear waste and by-products.

The department is taking belated remedial steps, like hiring a new contractor, Westinghouse, to run the whole Hanford plant. That doesn't go far enough. There is no reason that warhead production plants should not conform to the same safety standards as those of the civilian nuclear power program. Congress should appoint the NRC the arbiter of safety. If national security is a real consideration, think how much it would be set back by a radiation release.

— THE NEW YORK TIMES.

Productivity Must Rise

Competitiveness is apparently going to be the first political slogan of the new year. It turns up with rising frequency in brisk declarations that, while the United States may have allowed its economic performance to slip, and while it may have inadvertently run up a large trade deficit, the right kind of legislation will shortly fix all that. The American ability to compete, the sloganeers promise, is going to be restored.

What, exactly, does that mean? In Congress, there's a widespread assumption that greater competitiveness will mean more jobs and lower unemployment. Before you accept that, you might want to look at other countries' experience. The Canadian economy is a successful competitor, in the essential sense that it exports more than it imports, but its unemployment rate is 2½ percentage points higher than America's. The Netherlands is even more competitive, and its unemployment rate is over 14 percent — twice the rate in the United States.

There's a similar assumption that competitiveness will mean faster economic growth. True or false? If a trade surplus is the measure of the ability to compete, Japan is certainly the world's grand champion. But while the Japanese economy has grown very rapidly over the past generation, it is currently growing at about the same rate as America's.

Nor does increased competitiveness necessarily mean a higher standard of living. In the United States the standard of living has, in most respects, risen slowly but perceptibly over the past four years — the years in which, as the soaring trade deficit demonstrated, American competitiveness was declining. One way to restore competitiveness would be to keep pushing the exchange rate of the dollar down until exports finally balanced imports. But the declining dollar would mean a substantial erosion in Americans' incomes and leave them less well-off.

So why not forget about competitiveness and just keep coasting? The best reason is that the continuing trade deficits are being financed by borrowing abroad. Those foreign debts will eventually make the U.S. economy vulnerable and unstable, just as the debts of the past decade have made the Latin economies vulnerable and unstable. It's the burden of future debts, not the performance of the current economy, that is the compelling reason for getting American trade back into balance.

There is more than one way to do it. A falling exchange rate is the simplest, but the worst. A better choice is to push up productivity — that is, increase the value of the output of an average day's work. When politicians talk about competitiveness, they nearly always mean productivity.

Raising productivity takes time. It involves education, formal and otherwise. It requires changing peoples' attitudes toward quality control, technical research and investment. It requires slowing down the current boom in spending and consumption. Congress could accomplish a lot there. But fiddling with the trade laws will be, at best, a minor contribution.

— THE WASHINGTON POST.

UNICEF's Good News

The best public document of the season — no blather about geostrategic politics — is the annual report published by UNICEF, the United Nations Children's Fund. It shows that a pittance can save millions of children in poorer countries. What's more heartening, "The State of the World's Children" reports that in the last year, countries poor and rich have united to save at least 1.5 million children by vaccines and hydration therapy. The target of total immunization by 1990 looks increasingly feasible.

The weapons in this war are benign: Salt packets to counter dehydration, and inexpensive vaccines to immunize children from their deadliest enemies: measles, tetanus, whooping cough, polio, diphtheria, and tuberculosis. According to James Grant, UNICEF's director, doses of vaccine in 100 poor countries have trebled in three years, from 125 million to 377 million, and should reach a billion by decade's end.

How much difference a few years can make. In 1983, only 2 percent of Egypt's mothers knew about oral hydration therapy, the simple technique of replacing salts lost when children succumb to diarrhea; now knowledge is near-universal and 13,000 health workers are trained to combat this common killer. There's a multiplier in each success, as communities learn how to mobilize to save their children in countries as unlike one another as Turkey and Burkina Faso, Brazil, and Bangladesh.

When distress has a human face, it's possible to galvanize support — spectacularly, in the case of one-shot Live-Aid campaigns. UNICEF's feat is to humanize development aid and get sustained support. Even a cost-conscious American Congress came up with $75 million. Sure, there's an element of showmanship in tugging at universal sentiments, but then the children's fund has something to show in results that everyone can grasp. That's what gives firepower to kindness. Other, envious UN agencies would do well to consider the reason for UNICEF's success: Tangible evidence that a practical program gets results.

— THE NEW YORK TIMES.

Other Comment

Contadora: Efforts Renewed

The foreign ministers of the eight biggest democracies in Latin America gathered recently in Brazil for a meeting that has important implications for the crisis in Central America. Officially the two-day session in Rio de Janeiro was the latest meeting of the Contadora Group — Mexico, Venezuela, Colombia and Panama — trying to negotiate a peaceful settlement of the fighting in Central America. Foreign ministers of a Contadora Support Group of Brazil, Argentina, Peru and Uruguay also took part. The immediately significant announcement at Rio was that those Latin democracies would renew their efforts to bring peace to Central America, joined this time by UN Secretary-General Javier Pérez de Cuéllar, a Peruvian, and the secretary-general of the Organization of American States, João Clemente Baena Soares, a Brazilian. That will give renewed life to the Contadora process, becalmed recently while the Reagan administration promoted military "solutions."

— Los Angeles Times.

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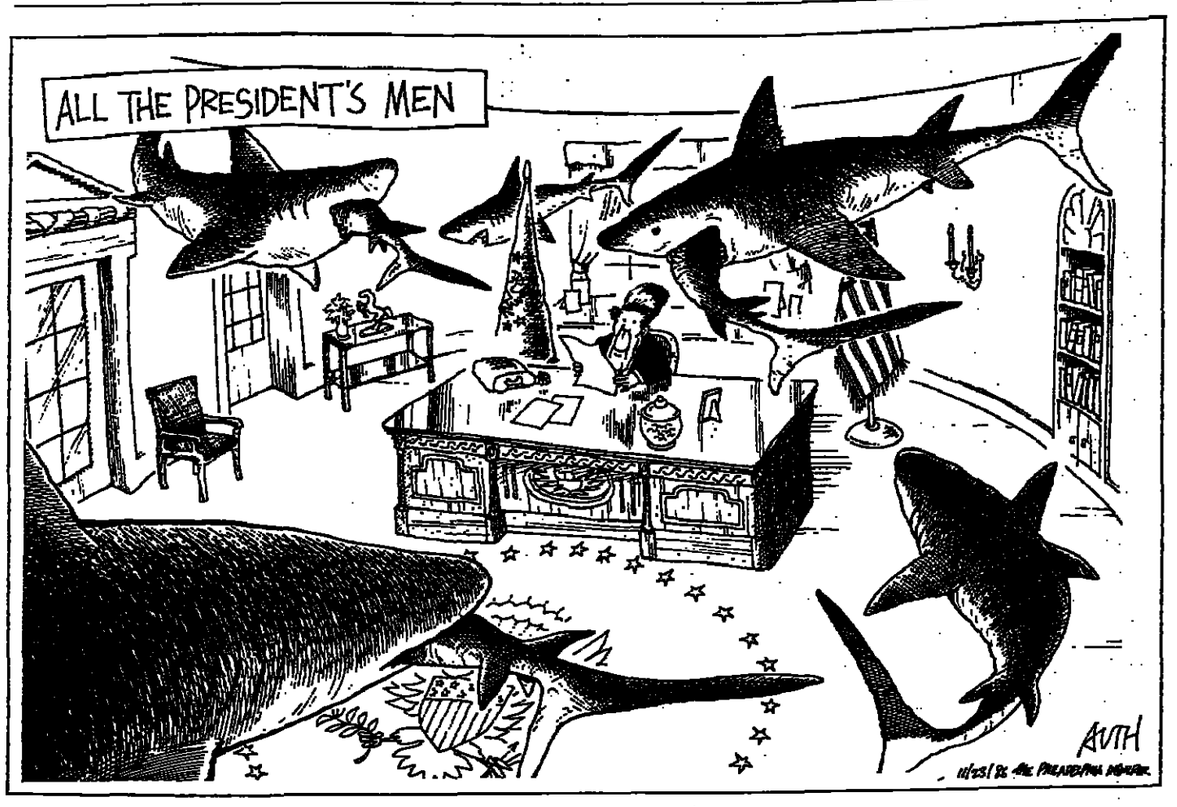
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A Peace Formula for the White House and Congress

By James Q. Wilson

CAMBRIDGE, Massachusetts — In time, the investigation into the Iranian arms controversy will end. There may be prosecutions, new laws, a reorganization of the National Security Council. But one thing that is vitally necessary may not happen at all — creation of a new compact between the executive and legislative branches that will permit the United States to discharge more effectively its responsibilities as a great power.

From Vietnam, through Watergate, to the present, in Democratic and Republican administrations, the estrangement between the White House and Capitol Hill has deepened. Congress distrusts the president and insists on multiplying checks — oversight committees, the War Powers Act, media leaks and legislative vetoes. The White House responds in kind — building up the National Security Council staff as an isolated and autonomous operational agency, appealing over the heads of Congress to the public, managing its own pattern of leaks.

It appears that use of the National Security Council staff for the Iranian arms transfer may have reflected a desire to avoid the seemingly inevitable public disclosures that have been facilitated by the competitive and decentralized pattern of congressional oversight of foreign operations. If that is true, it means that the very methods Congress has put in place to check the president's foreign policy have led to results wholly at variance with what Congress intended.

With respect to foreign affairs the constitution is, as the late constitutional scholar Edward Corwin put it, an "invitation to struggle." That is desirable, for it makes sure that essential checks and balances will operate. But of late the struggle has become an alley fight — a cacophonous, decentralized, unmanaged public quarrel over every detail of policy.

From World War II to Vietnam, this struggle was moderated by a bipartisan consensus as to the major aims and methods of foreign policy, a consensus given effect by a strong pattern of leadership in Congress and a presidency sensitive to the need for congressional support. Vietnam destroyed that consensus. Perhaps it cannot be rebuilt, but reasonable people in both branches of government want, and I believe can obtain, a moderation of the discord.

We may disagree over foreign policy, but hardly any American interests are served by extensive leaks about every sensitive operation we may wish to undertake. They are not served by detailed public reporting of financial contributions by friendly governments to efforts made on behalf of Afghan rebels, even when assistance to those rebels enjoys strong bipartisan support on Capitol Hill. They are not served by disclosures of intelligence-gathering operations.

People may disagree about how much all this helps the Soviet Union. But there can be no disagreement about this: Its allies increasingly do not trust America, and Americans increasingly do not trust each other.

There is no point in assigning blame; both branches of government, always information sieves, have of late become geysers. This torrent of leak and counter-leak once did not exist, despite the separation of powers. This means that it need not exist now, even though we retain the separation of powers.

I suggest that when the Iranian issue has subsided, the White House and Congress attempt to establish a new compact that permits the fullest debate over the goals and major methods of foreign policy without aiding and abetting the media's understandable desire to track down and publish every secret, every name, every Swiss bank account.

The compact might take the following form:

- The White House will make clear that the National Security Council and its staff exist for advisory purposes only. They will not conduct sensitive operations.
- Congress will merge the House and Senate Intelligence Committees into a Joint Congressional Committee on Intelligence with a small, bipartisan membership and a small professional and nonpartisan staff.
- The executive branch will adopt and enforce procedures designed to minimize intelligence leaks from its agencies. These leaks occur for purposes of aggrandizing one's own agency and policies and punishing those of one's bureaucratic rivals.
- Congress will adopt and enforce procedures designed to detect and punish unauthorized leaks from the Joint Intelligence Committee.

None of this will prevent a spirited debate over the U.S. role in Central America and the Middle East. And none of this is an adequate substitute for America's lack of national resolve to act like a great power. But at least it is a beginning.

The writer, professor of government at Harvard and of management at the University of California, is a member of the president's Foreign Intelligence Advisory Board. He contributed this comment to The New York Times.

Cooperation Accord by 2 Trade Giants Augurs Well

By Harry L. Freeman

NEW YORK — The economic cooperation agreement between the United States and Japan announced a few weeks ago is a breakthrough. The accord by U.S. Treasury Secretary James Baker and Finance Minister Kiichi Miyawaza of Japan may be the most important economic agreement the free world will see in the 1980s.

Both governments have put aside bilateral trade disputes in order to tackle a more important issue and improve prospects for world peace and prosperity. By agreeing to economic cooperation, the two largest economies in the world are encouraging their own rapid economic growth, while at the same time helping to foster a healthier economic climate in most other countries.

This kind of cooperation may set the tone for accelerating the resolution of bilateral trade disputes and allow the two countries to make a concerted effort to attack the financial imbalances which threaten the free world's security.

We have along way to go, but this major step advances one of the most important goals in our times — namely, the move by Japan from being a major economic power to being a responsible economic leader in the free world. Japan has the potential to achieve an historical first: a country that is a major economic leader but not a commensurate military power.

Cutting Japan's discount rate and stimulating its economy will help accelerate internal economic growth and provide markets to stimulate new world trade and investment. Stabilization of the dollar-yen exchange rate, while unpopular among some U.S. exporters, is probably a new plus in terms of business planning and economic stability. Japan's tax reform and stimulation package may generate additional government revenues and allow Japan to channel more of its huge savings pool into aid to developing countries.

Japan's own economic interests also suggest that it play a larger role in the upcoming multilateral trade round under the anspices of the General Agreement on Tariffs and Trade. Japan and the United States share mutual interests.

The U.S. government was the successful protagonist at the GATT talks in Uruguay earlier this year, and the new round has the fullest possible range of issues on the table. They range from the traditional issues surrounding trade in goods to new areas such as services and investment.

Since World War II, Japan has been a major beneficiary of the open trading system created by GATT nations. That system has deteriorated into a world where much trade is not free but managed by nontariff barriers, bilateral quotas and barter.

As some of Japan's comparative advantage in manufacturing is lost to other countries, such as Korea, Japan is seeking to expand its financial and business services into a new wave of exports. Japanese banks have overtaken U.S. banks as the leading international banks in terms of international assets; Nomura Securities has become the largest investment house in the world.

The United States has a similar goal as its economy is becoming more of a service economy. There is no conflict in these trends as long as the Japanese market is open to foreign exporters of services. The American market is relatively open already but Japan should take steps to liberalize further its internal markets and also move aggressively to be a leader in GATT negotiations.

In the real world of economics, where almost everything is linked to everything else, there should be broad agreement and collaboration among the key economic powers. The agreement on economic cooperation by the United States and Japan may open the door again to improved cooperation among the Group of Seven leading industrialized nations.

The writer is executive vice president of American Express Co. He contributed this comment to the International Herald Tribune.

There're Still Too Many Children Dying

By Jonathan Power

NEW YORK — Just as America itself is more liberal and socially aware under conservative Ronald Reagan than under liberal John Kennedy, the world is more benign than a generation ago.

But the political, economic and social center of gravity has moved, too. What was tolerable in the 1950s is not tolerable today. We are never satisfied with however much has been achieved.

It is widely considered a scandal today that because of the debt crisis income levels in Latin America have fallen by 10 to 15 percent. In our rush to improvement we tend to ignore the far more important fact that Latin America, alongside Asia, has quadrupled its income over the last 20 years. Even much of Africa has changed for the better.

While it is undeniable that much of the world is still in the grip of an economic crisis, we should for a moment contemplate what has been achieved:

- Since 1950, child death rates have been halved in almost every region of the developing world.
- The average human life span has increased from 46 to 61 years.
- Since 1950 the proportion of the world's adults who can read and write has risen from just over a half to nearly three-quarters.
- The percentage of the 6-to-11-year-olds living in the poorer continents who start school has risen from 50 percent at the end of World War II to almost 95 percent today.
- Birth rates have begun to fall everywhere except black Africa.
- Although the world's population has doubled since the end of the war, food output has tripled.

Forty years ago more than 3 million people starved to death in Calcutta and Bengal. The starvation passed largely unnoticed in the wealthier countries. Last year and this, the African famine led to unprecedented fund-raising.

All this is a sign of the maturing of humanity. The basic needs revolution, cradled in Fabian Britain and Roosevelt's America, has now become a worldwide phenomenon. Nevertheless, as the United Nations Children's Fund warns in its recent report, "The State of the World's Children, 1987," much remains to be done. UNICEF argues that while we are adept at responding to the "loud" emergencies we are not so good at responding to the "silent" ones.

The "silent" emergency is an invisible emergency. UNICEF says: "Almost without notice, more than 14 million children are now dying every year. They are dying in the final coma of dehydration; dying in the extremities of respiratory infections; dying in the grip of tetanus spasms; dying of frequent and ordinary illnesses which steadily weaken and malnourish the body until it has nothing left to fight the next cold, the next fever or the next bout of diarrhea."

No famine, drought or flood has ever killed 280,000 children in a week but this is what this "silent" emergency is now doing.

These deaths are concentrated in countries that have had little of the intense media coverage seen in Africa. More children have died in India and Pakistan than in all the 46 countries of Africa put together, despite the handsome economic growth rates turned in by these two countries over the last decade. More children have died in oil-rich Indonesia than in the eight drought-stricken countries of the Sahel. More died in Bangladesh than in Ethiopia and more died in Mexico than in Sudan.

All these countries are in fact wealth-producing countries, and all could dramatically cut their child death rates if they gave more attention to some of UNICEF's low cost techniques of protecting child health. The methods include persuading parents to monitor their children's growth rates; to breast feed; to use rehydration salts when they have diarrhea; to space the birth of their children; to improve their weaning; and to immunize them.

Some of those countries, in particular Pakistan and India, are well organized to implement UNICEF's ideas and are getting on with it. Others are less so. They need to be prodded and supported by the West. It is only a matter of time before those 14 million unnecessary deaths no longer happen. Then we will be on to the next improvement of mankind's lot. For happily, that is the way humanity's wheel appears to be turning.

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In Beijing, An Unsung Moratorium

By Jim Hoagland

PARIS — Louis Delamare, the witty and courageous French ambassador who was assassinated in Beirut in 1981, loved telling a good story and telling it well. One that he told me years ago is worth recalling in this New Year season, both because it recalls a departed friend and because it helps make a point about an issue that will dominate headlines in 1987.

The story involved a high-level meeting between French and Chinese officials in the turbulent final years of Mao Zedong's reign. The talks had turned to the likely proliferation of nuclear weapons in the Third World, a prospect that caused one of the Chinese officials to thump the table and smile with pleasure, Mr. Delamare recalled.

"Good, good," the Beijing official said in echoing Mao's mad theory that because of its vast population resources China would benefit from a major nuclear war. "More bombs everywhere. Boom everywhere. Good."

Today, the pragmatic men who rule in Beijing have reversed that policy and the other megalomaniacal features of Mao's final years. What is intriguing about China's nuclear weapons program today is that Beijing has not staged an atomic test explosion in more than two years. The last recorded test dates back to October, 1984, and U.S. experts do not see signs that any important new experiments are in preparation.

The reasons for China's unannounced moratorium are unclear. They are likely to have at least as much to do with technical problems as a political decision to de-emphasize the role of nuclear arms in China's changing military strategy. But its decision to stand pat with its nuclear deterrent holds major implications for the coming year's arms control talks and public diplomacy battles between the Soviet Union and America, and for Europe's two nuclear powers, France and Britain.

The four other acknowledged nuclear powers have portrayed testing as necessary to modernize and maintain the reliability of their atomic arsenals. Without occasional testing a nuclear power cannot be certain that its weapons will work in a crisis, the United States has argued in refusing to join the test ban moratorium declared by Moscow in 1985.

Coupled with the Chinese leadership's decision to reduce their 4-million man army by 25 percent, Beijing's willingness to let its deterrent force "degrade," in nuclearspeak, gave Mikhail Gorbachev a much freer hand to pursue his high-profile arms control initiatives and his opening to Asia than would otherwise have been the case. It makes his stated willingness to reduce Soviet troop strength along the Chinese border much less risky, for example.

Moscow has now announced that a Soviet nuclear test will follow the first U.S. test explosion of 1987, ending the moratorium as if more in sorrow than in anger. The public relations benefits accruing to Moscow now appear to be outweighed by the military restraints that the moratorium imposes, especially since the nuclear testing issue has never caught on in the market where the Soviet leader would presumably hope to make his biggest sales — the United States.

It is just possible that could change now, in the wake of Mr. Reagan's seemingly offhanded agreement at Reykjavik that a world without nuclear arms would suit him fine, and with a newly assertive Congress under a Democratic majority being sworn in next month.

That there will be much greater support for legislated arms control is not in doubt. One of the first efforts will be to bring the Reagan administration back into compliance with SALT-2 subceilings by denying funds for specific deployments. Others will follow, and if Mr. Gorbachev's moratorium stays in effect long enough, a major struggle could also develop over a congressional attempt to have the United States adopt a similar test ban as long as the Soviets observe theirs. Such events would have a direct impact on Britain, which depends on America to supply and test its nuclear arms, and would cause France discomfort.

French officials are already deeply concerned about the interest China and the United States are showing in the South Pacific Forum's call for a nonnuclear zone in that region, the home of all of France's nuclear testing. They fear they could wind up isolated internationally on an issue that has never been a problem at home. If moratoriums start to proliferate, the French could wind up nostalgic for the bad old days of Louis Delamare's interlocutors.

The Washington Post.

LETTER

Hasenfus or Nemesis?

Soviet leaders can choose any means to perform Machiavellian policy or "realpolitik" without being reprimanded by committees provided the policy succeeds. To believe that a U.S. president could be somehow involved in such a policy and remain untainted by it is an act of democratic hubris. If the investigating U.S. committees summon Eugene Hasenfus for witness, the United States will fall into the trap of President Daniel Ortega Saavedra of Nicaragua, and Nemesis — the sister of Hubris — will be near.

GUSTAV ADOLF POURROY.
Munich.

IN OUR PAGES, 75 AND 50 YEARS AGO

1911: Battle in the Riff

MADRID — Official news has been received by the Ministry of War of another serious engagement in the course of the operations against the Moorish barka near Melilla. The Spanish columns carried out operations against the Riffians, who were put to rout after having lost more than 400 dead. Spanish losses were 27 killed and about 30 wounded. In view of the seriousness of the situation, the Government is considering sending back to Morocco General Vittalon's brigade, which recently returned from Melilla and is stationed at Malaga. News of the fighting has produced a sensation here, and fears are expressed that the Spanish losses will be found to be heavier than the official figures indicate. The opinion of the Government is that operations in the Riff will prove lengthy.

1936: World Resources

WASHINGTON — Likelihood that the problem of the distribution of the world's raw materials will become a topic for international consultation in the not remote future has caused officials to begin preliminary study of the problem in order to formulate a national policy. The immediate occasion for attention to the problem is the possibility that the League of Nations Council may accept [on Jan. 18] the proposal of the October Assembly to appoint a committee on raw materials. The United States is intensely interested in the problem of greater access to raw materials, from its own standpoint as well as the world peace aspects. The increased tendency of world cartels to control the production of such materials as rubber, tin, mercury and potash is disturbing American officials.

VATICAN: *Church Seeks 'Alternative Christian Culture' in Third World*

(Continued from Page 1)

ideas that came from hostile ideologies — that is, Marxism.

Catholic theologians, notably the Reverend Johannes Metz in West Germany, began dialogues with Marxists and in Father Metz's case began creating what he called a "political theology."

The ferment in Europe resonated in Latin America in the late 1960s, when continued church support for dictatorships and oligarchies seemed increasingly untenable, especially after Vatican II.

At a meeting in 1968 in Medellin, Colombia, the Latin American bishops adopted a document that has had profound effects.

Latin Americans, they said, must resist personal and collective injustice with unselfish courage and fearlessness." The misery of the continent, they said, "expresses itself as injustice which cries to the heavens."

The Medellin meeting endorsed the priestly activism already widespread in Latin America.

One activist was the Reverend Gustavo Gutiérrez, a Peruvian theologian. In 1971 he published his book "Theology of Liberation," which gave a movement its name.

From the book's first sentences, Father Gutiérrez said his work was not simply an academic exercise but something that grew out of "the oppressed and exploited land of Latin America."

Crediting Marxism with encouraging theologians to "reflect on the meaning of the transformation of the world," Father Gutiérrez said, "to deny the fact of class struggle was really to put oneself on the side of the dominant sectors."

"It is not a question of admitting or denying a fact which confronts us," he went on. "Rather, it is a question of which side we are on."

The church, he said, must side definitively with the poor, for whom Christ had shown special love. To eliminate poverty, he said, "is to bring closer the moment of seeing God face to face, in union with other men."

Although liberation theology planted itself more deeply in some Latin American countries than others, Father Gutiérrez's writings and those of his liberationist colleagues were clearly a case where ideas had consequences.

This was evidenced most dramatically in the Sandinist revolution in Nicaragua. A large part of the church joined the opposition to the dictatorship of Anastasio Somoza, and many of the most important leaders of the revolution were priests who had joined Christian and Marxist concepts. The Vatican has since barred some of them from their priestly functions.

The liberationists also spawned thousands of "base communities" of poor people that blended prayer with political reflection, organization and action.

Within parts of the Latin American hierarchy, there was a sharp and immediate reaction to the liberationists. Led by Archbishop Alfonso López Trujillo of Colombia — he was named a cardinal in 1983 — the more conservative bishops, with important support in the Vatican, sought to blunt the revolutionary thrust.

John Paul found himself in the midst of the fierce infighting within three months of his election as pope. During a tour of Mexico in 1979, he opened a meeting of Latin American bishops in Puebla. He left no doubt about where he stood.

On the one hand, the pope spoke of the need to "humanize the political and economic systems." He told the bishops that owners of private property carried the responsibility of a "social mortgage," and that Christ had shown that "in the last analysis he will identify himself with the disinherited."

But the bulk of his address was a warning. Besides scoffing at the idea of Christ as "a political figure," John Paul warned against the "mutilation" of the church's faith, the setting off of an "institutional" church against a "people's" church, and he urged the bishops not to allow the church to "be contaminated by other brands of humanism."

The idea of Marxism as fundamentally atheistic and of "class struggle" as being foreign to Christian ethics has guided the Vatican's Congregation for the Doctrine of the Faith in its two documents on liberation theology. The principal author of the documents was Cardinal Joseph Ratzinger, a German who is the prefect of the Congregation and the pope's principal guardian of orthodoxy.

The first, issued in September 1984, warned of the "terrible contradictions" involved in integrating Marxism with Christianity, since "atheism and the denial of the human person, his liberty and his rights are at the core of Marxist theory."

In a passage that resonated with the pope's own experience with Communism in power in Poland, the document declared that revolutionary movements fighting in the name of freedom for the oppressed often betrayed those whom they claimed to be liberating.

The reaction among Latin American advocates of the theology was a mixture of caution and anger. Many asserted that they had never been Marxists and that the document could not be about them.

The Reverend Leonardo Boff of Brazil, a leading advocate of liberation theology, said the document betrayed "a peculiar outlook, one foreign to the milieu where the theology in question originated, flourishes and is being practiced."

"This massive attack on Marxism will reinforce, objectively, those who, in the name of anti-Marxism, persecute, torture and kill," he said.

A few months later, Father Boff was officially silenced by Rome for nearly a year. But both Vatican officials and the supporters of the Brazilian agreed that he had been singled out not for his social teaching but as an advocate of changes in the structure of the church.

Yet if the pope and Cardinal Ratzinger were unwilling to accept what they see as frontal attacks on Vatican authority, they showed this year that the other side of the church's teaching is still very much alive.

Shortly after the silencing of Father Boff was lifted, Cardinal Ratzinger issued his second document on liberation theology.

While it contained many of the same warnings as the first, it spoke repeatedly of the church's obligations to the poor, of the right of the poor to struggle for justice — and even, in extreme circumstances, to use "armed struggle" to overthrow unjust regimes.

If there appears to be a certain ambivalence in the Vatican's view on change at the theoretical level, this became clear at a practical level when Cardinal Jaime Sin, the archbishop of Manila, threw the church into the movement to overthrow Ferdinand E. Marcos as president of the Philippines.

At first, the signals from the Vatican were favorable. But it became clear over time — confirmed later by Cardinal Sin himself — that the pope was uncomfortable with the overt political role that the church had played, even though its actions were based on a strategy of nonviolence. Still, the pope never criticized Cardinal Sin directly or in public.

The pope has also been "far more cautious than people think," in the words of one traditionalist, in dealing with Brazil's bishops.

The Brazilian hierarchy is led by bishops of liberal and leftist sympathies, many of whom openly supported Father Boff, but it is divided between the liberals and traditionalists.

At a meeting in Rome in March, the Brazilian bishops failed to heal their differences either among themselves or with Rome. But instead of taking a hard line, John Paul seemed to accept that some differences were inevitable.

As the experiences of both the Philippines and Brazil have shown, Third World bishops confronting situations they regard as unjust will, as a practical matter, be given substantial leeway by the Vatican in dealing with local crises.

The pope has made it clear that he expects the church to denounce injustice and poverty, and will continue to do so himself.

What he will continue to oppose, and what he greatly fears, is the prospect of Marxist movements and ideas "swallowing up" Christianity, as one of his supporters put it, leaving the church as a mere residue — perhaps a persecuted one — of any revolution.

If the pope is tough on dissent in his own church, he is surprisingly open to the traditional faiths of the Third World, in part because he believes the people of the Third World have preserved a much stronger sense of the spiritual than either materialistic Westerners or the officially atheistic ruling classes of Eastern Europe.

On visits to Africa or Asia, his words and gestures to the crowds repeatedly declare that these, at least, are societies that have not lost sight of the primacy of the spiritual.

But in his own house, he is seeking philosophical and hierarchical order.

A Vatican official who has served throughout John Paul's pontificate said one of the pope's goals was to create "an alternative Christian culture, cultural islands" to stand in juxtaposition to what he sees as the forces of secularism and materialism.

And to do that, John Paul believes, he must preserve the strength of his office.

Among the passages of the New Testament that he has quoted most often is Jesus's proclamation to Peter in the Gospel of Matthew, which Catholics cite as the foundation of the papacy.

"Thou art Peter," Jesus said, "and upon this rock I will build my church. And the gates of hell shall not prevail against it."

At the end of November, the pope was returning to Rome from a 15-day trip to the South Pacific that was the longest and most grueling of his papacy. In the early morning, his car pulled up to St. Peter's Basilica, the largest church in Christendom, and the pope instructed his driver to stop.

He climbed out of the car into the darkness and entered the basilica through a side door, making his way though the cavernous hallways underneath it, past the graves of his predecessors.

John Paul went straight to the center of the underground maze, to the place beneath the main altar, where tradition says the grave of St. Peter lies. The successor of St. Peter knelt down, buried his head in his hands and prayed to the Apostle in silence.



Reuters

'This massive attack on Marxism will reinforce those who, in the name of anti-Marxism, persecute, torture and kill.'

— Leonardo Boff

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SAKHAROV: *Qualifies Role*

(Continued from Page 1)

Moscow correspondents for The New York Times, the Chicago Tribune and U.S. News & World Report.

Mr. Sakharov made his early reputation developing the Soviet Union's hydrogen bomb.

"I see my primary duty," he added, "as to facilitate the liberation of prisoners of conscience, and in a general sense, simply those whom I know, my friends.

"In other areas I will speak out," he said, "if it is so important that I cannot be silent."

Mr. Sakharov appealed to the Soviet leader, Mikhail S. Gorbachev, in a letter early in 1986 to release the prisoners. When Mr. Gorbachev telephoned him in Gorky on Dec. 16, Mr. Sakharov stressed that the success of the Kremlin's reform plans depended on the treatment of the prisoners.

"The central issue of Gorbachev's policies is *glasnost*," Mr. Sakharov said Saturday, using the Russian word for openness or freedom of speech on social and political issues.

"If people who suffered from their aspirations to get more glasnost remain in prison," he said, "then contradictions and lies emerge and nothing serious will be built."

He gave a threefold explanation for his release: an international campaign on his behalf, changes in the internal situation in the Soviet Union in the past five years and the fact that his exile had become a barrier to scientific ties with foreign countries.

"An especially important factor was the desire on the part of the U.S.S.R. for international and scientific cooperation," he said.

"Academies throughout the world and scientific organizations made their participation conditional on my release," he said.

Asked his views on Mr. Reagan's plans to build a space defense shield, Mr. Sakharov said, "A potential enemy with highly developed technology can always find a means to overcome the space defenses," and the countermeasures "are much easier and cheaper than to create the space defenses."

But he said that to focus all the attention on SDI and thus turn down agreements in other spheres of arms control, or what is called the "tough package," was incorrect.

"I think it is ungrounded to demand that the American side stop development of the new technology in the military field," he said, "and to stipulate this as a condition of all other arms agreements is completely illegal. The research has started, and not only in the United States, but we may infer that in this country something is being done."

TAMIL: *Sri Lanka Talks*

(Continued from Page 1)

by the Press Trust of India as saying that further talks could be held if the Sri Lankan government freed all Tamil political prisoners.

Krishna Kumar, the commander in the Jaffna region of the Liberation Tigers of Tamil Eelam, the largest insurgent group, reportedly told the government that his faction would "not budge an inch" from its basic demand for a separate state for Tamils.

One official in Sri Lanka said the government was "sending out feelers to see how united the Tamils are, whether they are prepared for a compromise and whether there are differences between the boys in the battlefield and those at headquarters in India."

The Tamils comprise a minority on the island and are largely concentrated in the north and east. The rebels are said to have the run of the countryside in the north.

The Tamils say they are discriminated against by the Sinhalese, who are predominantly Buddhist. The Tamils are mostly Hindu.

Various proposals have been made for a settlement. These have included an offer by Mr. Jayawardene to divide Eastern Province into three territories, each dominated by a different ethnic group, including the Tamils.

CHINA: *Beijing Announces Election Reform for City*

(Continued from Page 1)

dates for the provincial people's congress.

Apparently stung by charges of undemocratic behavior, the local government there postponed the election, rescheduling it for Sunday, to give the students time to field their own candidates.

On Tuesday evening, several thousand students from Qinghua University in Beijing spilled from the campus demanding democracy and freedom of the press. The protesters did not, however, appear to specifically challenge local election procedures.

The demonstrations over the last three weeks have clearly shaken the authorities, who were slow to formulate a response. Last week, after demonstrations in Shanghai that brought out as many as 50,000 people, the local authorities finally struck back by issuing orders virtually banning public protest.

At the same time, the local press in Shanghai and Beijing, as well as the national press, have been filled with articles discrediting the motives of the students, emphasizing the upheaval caused by the protests and stressing the primacy of the Communist Party in guiding economic and political changes.

The coverage has focused on the way in which the student demonstrations violated what the papers said were the democratic and constitutional rights of the average citizen, a tactic clearly intended to isolate the students.

Many accounts in recent days have dwelt in detail on the disruption to daily life and production. Guangming Daily quoted traffic and factory workers in Shanghai as saying the students' actions had caused havoc.

"The demonstration blocked traffic and forced several hundred travelers to go on foot," the paper said. "A lot of workers were late because of the demonstration. Some old and weak people, as well as some ill people, were waiting in the cold wind for several hours. The demonstrations made more than 3,000 people miss their trains."

"Speeding economic development and increasing people's living standard require a stable social environment," the paper added.

Worker's Daily, a paper that supposedly reflects the views of union members, also used an increasingly heard tactic of identifying the student protesters with the violent and riotous behavior of the Red Guards in the Cultural Revolution, the 10 years of political upheaval triggered by Mao Zedong to destroy what he saw as an archaic and stolid party bureaucracy.

In no case have any students been given access to the press to give their account of the demonstrations or discuss the issues that precipitated them.

Yet even as the press continued to attack the students, the action by the Beijing people's congress in revamping the election process appeared to speak directly to the protesters' call for greater democracy.

In its account of the meeting of the standing committee, Beijing Daily said the changes had been "vigorously discussed."

RADAR: *U.S. Building New Stations Despite Treaty*

(Continued from Page 1)

isting radars. The new radar in Greenland is being built on top of the old radar building there. The old radar will be dismantled. The United States and Britain have agreed that a new radar should be built near the Fylingdales station but construction has not yet begun.

The administration maintains that the Soviet radar near Krasnoyarsk violates the treaty because it is a new large phased-array radar that is not on the periphery of the country oriented outward, as the treaty requires.

The ABM treaty "does not provide a strong legal base for replacing the existing radar stations at Thule and Fylingdales with new large phased-array radars," states a recent report prepared by Brent Scowcroft, the national security adviser to President Gerald R. Ford; William J. Perry, a former Defense Department official; and Joseph S. Nye, a former State Department official who is now a professor at Harvard University. The report was published by the Aspen Institute for Humanistic Studies.

The administration's rationale for the radars "is only marginally better than the Soviet excuse for Krasnoyarsk, because all three are clearly prohibited by the treaty's rather unambiguous language on large phased-array radars," said James P. Rubin of the Arms Control Association, a private group.

The legal debate centers on two key treaty provisions.

One is Article VI of the treaty, which states that each side agrees "not to deploy in the future radars for early warning of strategic ballistic missile attack except at locations along the periphery of its national territory and oriented outward."

The other is "Agreed Statement F," which applies to large phased-array radars. It says that powerful phased-array radars can only be deployed at ABM sites, ABM test ranges and on the periphery of each side's territory, unless they are for space tracking or verification of arms treaties.

Experts who question the legality of the new radars say the construction of the new large phased-array radars violates these treaty provisions since they are not on the periphery of the United States and do not fall under the other exemptions for such radars in the treaty.

But the administration says that these provisions should be interpreted in a different way and asserts that the new radars are allowed because the United States is not deploying new radars but modernizing radar systems already deployed.

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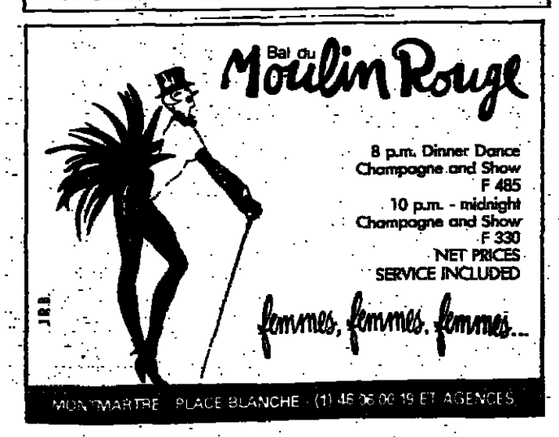
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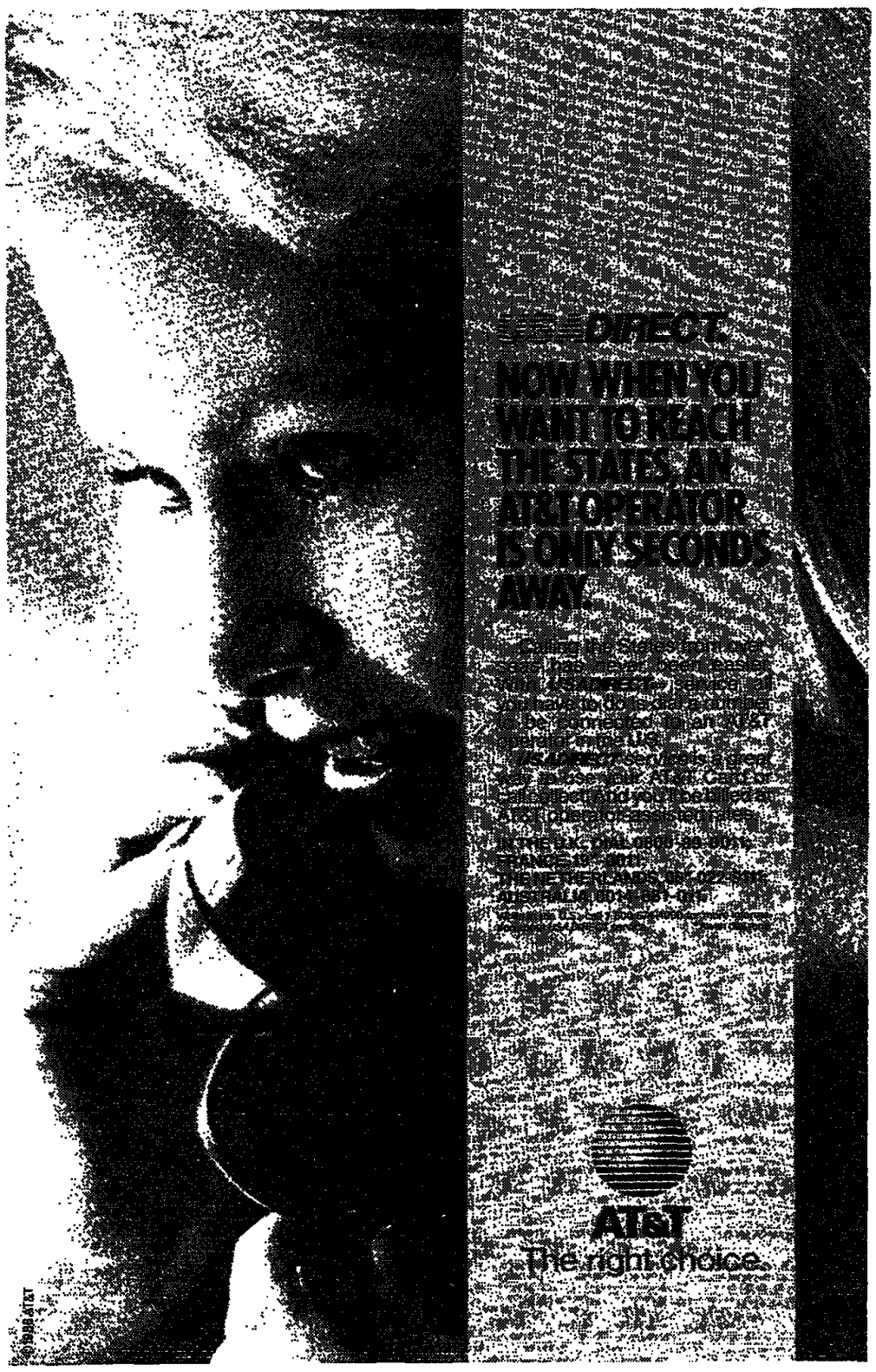
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OTC Consolidated trading for week ended Friday. Dec. 26

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[illegible]					

Mutual Funds

Figures as of close of trading Friday Dec. 26

NEW YORK (AP)— The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

	Bid	Ask
[illegible]		

NL— No initial sales load. f— Previous day's quote. r— Redemption charge may apply. x— Ex dividend.

(Continued on next left-hand page)

Wall Street Review

AMEX Most Actives

	Vol.	High	Low	Last	Chng.
Wickes	64565	3¾	3¼	3⅝	
WangB	12152	12⅝	12⅛	12⅛	— ⅜
FalCbl n	10412	20	19¾	19⅞	
NYTime s	8285	38⅛	36¼	36⅞	—1⅞
Lifetime	8057	2⅞	2	2⅞	+ ½
BAT	6989	6⅞	6⅝	6⅞	+ ¼
LorTel n	6899	16½	15⅞	16⅛	— ⅛
FAusP n	6385	9⅛	8⅝	8⅞	— ½
Hasbrs	6147	20⅞	20	20	— ⅜
HouOT	5292	2⅛	1⅞	1⅞	
HmeSh s	5271	38⅝	35⅛	36	—2½
AM Intl	4963	6⅞	6¼	6½	
MichlE	4757	12⅛	11½	12	+ ⅜
ForstL s	4599	23⅝	21	23⅝	+2¼
TexAir	4488	35⅞	34¼	34⅞	—1
ICH s	4222	20⅛	18½	19¾	— ⅜
TIE	4205	3¼	3	3⅛	
Amdahl	3490	24⅞	23¼	24⅛	— ⅜
ChmpH	3424	1⅞	1⅝	1⅝	
Husky g	3417	9	8	9	+1
Alza s	3349	18⅞	17⅞	18⅛	— ⅜
WDigitl	3288	19⅝	18⅝	19⅛	— ⅜
ImpOil g	3188	37⅜	36½	37⅜	+1
GlfCda n	3052	11⅞	11	11⅝	+ ⅜
EchoB g	2956	23	22	22⅛	— ⅜

NYSE Most Actives

	Vol.	High	Low	Last	Chng.
AT&T	150833	25⅞	25	25⅛	+ ⅛
CmwE	125207	35½	33⅞	34	— ¼
Navistr	80116	5⅜	4¾	4⅞	
AmExp	72760	60⅛	57⅞	58⅜	— ½
USX	72273	22	21⅜	21⅝	— ⅛
IBM	54778	125	120⅞	122	—3⅛
SCalEd	53943	35	34⅝	35	+ ¼
Exxon	53172	74⅛	72½	73½	+ ⅜
Nynex s	44941	68	66⅜	67	+ ½
GMot	37907	67⅝	65⅞	67⅛	+ ⅜
Goodyr	33891	42⅜	41¼	41⅝	
Mobil	32749	40⅝	39⅞	40⅛	
Merck s	32462	129⅞	116¼	129	+12⅛
BellAtl s	32344	72⅛	70⅛	70⅝	—1⅛
FordM s	32237	58⅛	55⅝	57⅜	— ⅜
JayMfg	32033	34⅛	33	34⅜	+2½
PhilPet	31560	12	11⅜	11⅞	+ ½
OwenC n	28918	13⅛	12⅛	13	+ ⅛
GenEl	27849	88½	86⅛	87¼	
Texaco	27709	36⅛	34⅞	35⅞	+ ⅜
UCarb s	27248	23	22⅛	22¾	+ ¼
FedNM	27035	41⅝	39⅞	41½	+1⅝
Sears	25962	41⅜	40⅛	40⅜	— ⅜
K mart	25335	47	43¾	44	—2¾
PepsiC s	24092	26⅞	25¾	26¼	—1

AMEX Diaries

	This Wk	Last Wk
Advanced	318	275
Declined	407	469
Unchanged	283	187
Total Issues	928	931
New Highs	28	30
New Lows	73	102

NYSE Diaries

	This Wk	Last Wk
Advanced	709	1065
Declined	1226	929
Unchanged	275	250
Total Issues	2210	2244
New Highs	59	78
New Lows	82	144

AMEX Sales

	Sales Vol.
Total for week	45,860,000
Week ago	64,190,000
Year ago	33,500,800
Jan 1 to date	2,934,120,000
1985 to date	2,048,540,000
AMERICAN BONDS =	
Total for week	10,020,000
Year ago	8,968,000

NYSE Sales

	Sales Vol.
Total for week	490,580,000
Week ago	854,210,000
Year ago	329,800,000
Two years ago	249,420,000
Jan 1 to date	34,314,458,448
1985 to date	27,302,760,000
1984 to date	23,005,410,000

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EUROBONDS

Despite a Record, Market Is Uneasy at Year's End

International Herald Tribune

LONDON — It seems to happen every year: The Eurobond market reports another record 12 months of new-issue volume, and the prophets of doom proclaim that such growth cannot be sustained. This time, however, there is a more general sense of unease among syndicate officials and secondary market traders alike.

The more than $190 billion of Eurobond transactions brought to the market during 1986, compared to 1985's total of $135 billion, has not meant bigger profits, but often quite the opposite.

Among the leading underwriting banks in the market, losses in the primary market this year have been hefty as the amount of paper that has had to be positioned on managers' books has grown because of insufficient demand. Money has had to be recouped through trading and, increasingly, from fees paid by issuers for interest rate or currency swaps.

Too many houses are chasing too few investors, with too-tight pricing.

A major fear is that interest rates will level off or even begin to rise steadily as 1987 wears on. That would mean fewer borrowers would tap the markets to refinance existing debt at more attractive rates. At the same time, the positioning of debt priced by lead managers ahead of the market, that is, in anticipation of further falls in interest rates, in order to win mandates would be a heavier burden on underwriters than it already is.

Beyond this is the realization that the time may be at hand to account for what virtually every professional in the market has acknowledged as severe over-competition: too many Eurobond houses chasing too few investors with securities priced too tightly because of pressure from borrowers.

Meanwhile, intense and successful pressure from the Japanese securities houses, Nomura, Daiwa, Nikko and Yamaichi in particular, for a larger share of Euromarket business has not only affirmed the growing importance of Japanese investor demand but has also helped to pare the margins that the European and North American houses can earn in the business.

DURING 1986 a handful of banks in London, such as Saudi International Bank, geared down their Eurobond operations and are no longer market makers. It can be safely predicted that more of the marginal players in the Euromarkets will join them next year, perhaps dealing on the basis of end investor demand only, or even pulling out altogether.

The pre-Christmas calm of the Eurobond primary market was disturbed only once last week, by Denmark's 150 million Canadian dollar 9⅛-percent five-year issue launched via the lead management of LTCB International. The bonds were priced at 101½ to yield 8.74 percent, 50 basis points over equivalent maturity Canadian government bonds.

Japanese investors have shown increasing interest in Canadian dollar paper over the past year because of its attractive yields and relatively low foreign-exchange risk compared with alternative high-yielding instruments like Australian or New Zealand dollar bonds.

For that reason, Nippon Telegraph & Telephone launched its own Euro-Canadian dollar issue last autumn. Denmark's bonds are similarly destined largely for consumption in Tokyo and were not being traded widely in London, although the lead manager was quoting a when-issued market price of a discount of about 1¾, against a fee structure of 1⅞.

As far as LTCB International was concerned, the year-end league standings may have had something to do with the timing of the Danish issue. It propelled the Japanese Eurobond house up a place to number 15 in the lead managers rankings, according to the IFR International Bondbase, a database run by the International Financing Review. That puts LTCB, a subsidiary of Long-Term Credit Bank of Japan, immediately above Société Générale and also ahead of IBJ International, LTCB International's main rival among the Japanese bank subsidiaries.

It remains to be seen whether Euromarket players will be attaching as much importance to the standings next year as they have in the past. Most professionals expect that the lack of profitability in underwriting the public Eurobond market will focus more attention on privately structured issues targeted to specific pools of investor demand.

While trading in U.S. Treasury bonds was too thin last week to price any prospective new Eurodollar issue, secondary market prices are set to end the year on a firm note.

Deutsche mark and sterling bond prices were also steady last week. Among recent Eurobond issues, Denmark's jumbo 130 billion yen 5⅛-percent 1992 issue was quoted in the gray market at a 2-point discount on the bid side, a touch weaker from the previous Friday's close.

At Boeing, Maintenance Is More Than Just a Routine Matter

By Laura Parker
Washington Post Service

EVERETT, Washington — Not far from the cavernous building where Boeing is hanging giant wing flaps on its newest 747 jetliner, a brigade of engineers meticulously monitors what is going wrong with the jumbo jets already in the 20-year-old fleet.

Most of the problems are only irritants: water dripping from the air conditioning onto the unhappy passenger in Seat 27J or the kind of routine maintenance you might call your auto mechanic about.

"We are the starting point," said Paul Forseth, who supervises 70 engineers whose primary function is helping the airlines maintain the 747s and 767s already in service. "We're looking for anything."

Although the engineers do not like using the word, that means safety, too. The opposite of safety is crash, and getting Mr. Forseth and his colleagues to talk about the subject is like getting a general to talk about battlefield casualties.

Even the language gets sanitized: Since the 747 went into service in 1969, according to Boeing, 11 of 661 jumbo jets have been lost to "attrition," which includes everything from crashes to terrorist bombs to a fire during cleaning by a maintenance crew. Two of the 11 were the jetliners that collided on a runway on Tenerife in the Canary Islands in March 1977, killing 582 in the world's worst air crash.



John Freeman/The New York Times

A B-52 bomber undergoing modification at a Boeing plant in Wichita, Kansas.

Mr. Forseth is the director of service engineering for 747s and 767s. His operation consists of high-tech maintenance workers who receive 2,000 calls and telexes a month from 400 airlines around the world. It is part of Customer Services, an elaborate network of employees, including 2,000 engineers, and computers at Boeing Co. that follows the health of the company's planes as closely as a hospital watches its patients.

Mr. Forseth's engineers work at long, orderly rows of stark metal desks. In the front of the room is a map of the world. Another room is a library filled from floor to ceiling with maintenance manuals. In yet another, typists work at computer keyboards, methodically logging the telexes and sending replies.

If the problem is a faulty toilet, it goes to Mr. Forseth's assistant who handles payloads; if it involves landing gear, it goes to the engineer in charge of "flight control." Information worth keeping goes into Boeing's gigantic data bank.

Boeing expects its first 747s to keep operating through the end of the century, with an average life span of at least 30 years. The life span of an airplane, like that of an automobile, is determined by how much the owner is willing to invest in maintenance. No 747 has yet been retired voluntarily.

"We know what plane is where, its flight hours, its flight cycles," Mr. Forseth said. "We know the age of the airplane and we know, to a certain extent, modifications made to it."

The department issues a regular "newspaper" containing maintenance recommendations. More serious problems are routed to the engineering department, where technical engineers determine the solution, which is written up in a service bulletin and sent to the airlines. If the problem

See BOEING, Page 9

Economic Indexes Stronger

9 Major Nations Show Advance

United Press International

NEW YORK — The world business expansion is spreading, gaining strength, according to recent economic indicators in a handful of major industrial countries Conference Board survey shows.

Leading business cycle indexes have strengthened noticeably in nine North American, European and Pacific Rim countries, a business research group's International Economic Scoreboard, released on Friday, showed.

In Britain, leading indicators have begun to advance to an annual rate of 4 percent and in Australia to 3 percent, reversing several months of decline.

Taiwan continued to lead countries with a 14-percent annual growth rate. France was second, 11 percent, followed by Japan at 9 percent and Italy at 8 percent.

The leading index in the United States is rising at what the board called an "improved" rate of 6 percent, while West Germany's economy is growing 4 percent a year.

The International Economic Scoreboard uses two sets of economic indicators.

Leading indexes are based on data that project the direction of a country's economy, including new orders for goods and services, corporate profits, stock prices and new construction contracts.

Economic performance indexes are based on statistics that offer a snapshot of current economic conditions, like gross national product.

"While the economic performance indexes are growing at a more modest pace, the latest good news from the leading indexes suggests faster economic growth ahead for the industrial world," said Geoffrey H. Moore, director of Columbia University's Center for International Business Cycle Research. The center compiles the indexes for the Conference Board.

New GATT Round Delayed as Planning Talks Run Into Snags

By Stuart Auerbach and John Parry
Washington Post Service

WASHINGTON — A new round of international negotiations on rewriting the rules of world trade failed to get off the ground as scheduled as major trading nations were unable to agree on how the talks should be conducted.

European and Third World countries blamed a tough U.S. stance for the failure of talks in Geneva to clear the way for global negotiations to revitalize and expand the compact that governs world trade, the General Agreement on Tariffs and Trade.

The Reagan administration, however, said other countries did not realize the seriousness of the record U.S. merchandise-trade deficit, which is expected to approach $170 billion this year, and fail to recognize the growing protectionist pressures on the government.

"I don't think it's fair to call us obstructionist," said Charles Blum, an assistant U.S. trade representative. "The United States is trying to avoid a process that will degenerate into finger-pointing."

Nonetheless, a European diplomat here said, "The United States refused to accept language that everyone else was willing to accept."

Trade ministers from most of the 93 nations that adhere to GATT agreed in September at Punta del Este to start a new "Uruguay round" of talks aimed at easing the threats of protectionism and a possible global recession.

But since reaching the Punta del Este agreement, the GATT nations have begun jockeying to protect their positions at the talks, which are expected to take at least four years.

Among the knottiest substantive problems to be tackled is a dispute between the United States and the European Community over farm trade.

After three all-night sessions in Geneva, the planning talks recessed Dec. 21 until Jan. 19. The delegates had set a Dec. 19 deadline for completing the "work program" for the new round of talks.

Mr. Blum said: "It's not a failure. But Punta del Este was deceptively easy," and the good will that was built up there "was probably deceptive."

The talks snagged on a number of procedural issues, which Mr. Blum said could determine the shape of the substantive trade talks.

One dispute, for instance, concerned who controls the meeting's calendar. "That sounds silly," Mr. Blum said, "but it controls the pace of the negotiations."

The Reagan administration wants to conclude agreements in separate areas as soon as they are reached rather than waiting for negotiations to be completed in all sectors.

Mr. Blum said that some countries "are trying to build up as many different ways of applying the brakes to the negotiations or to steer them one way or another. The United States feels it has to fight all of them."

U.S. and European sources said France was blocking U.S. administration efforts to consider farm subsidies before other issues.

"They are extremely worried about U.S. assertions that the agricultural trade problems will be settled by 1988," said a European diplomat here. "They are worried about language that pre-empts the conclusion."

Instead of moving first on agricultural subsidies, which could tear apart the EC's Common Agricultural Policy, France, backed by the rest of the community, wants to begin the talks with a broad discussion on surpluses of farm products throughout the world.

The United States has strongly opposed the farm program of the 12-nation EC, which Washington largely blames for the global glut of agricultural products.

While both the United States and the EC subsidize their farmers, Washington says its subsidies are designed to keep down production while the community's encourage greater yields, which increases export sales that take markets away from American farmers.

Because of the EC threat to traditional U.S. farm markets, however, the administration began this year subsidizing agricultural exports at a cost of about $26 billion.

Another area of dispute in the preliminary talks involves control of efforts to reduce protectionism.

The United States wants these controlled at the level of trade ministers, who make up the Trade Negotiating Committee that will oversee the global talks, because the issues often involve hard political decisions that only they can make.

The EC and a group of Third World nations, however, want the control to rest at a lower, technical level in the group that is responsible for the negotiations over goods.

Taiwan Has Record Surplus Of $16 Billion in Trade

Agence France-Presse

TAIPEI — Taiwan is to register a record surplus in merchandise trade of $16 billion this year, according to the Board of Foreign Trade.

In a year-end report, the government agency said Saturday that the country's two-way trade in 1986 would reach an all-time high of $66 billion, 26 percent more than in 1985.

It said exports would jump 30 percent to $40 billion while imports would grow 19 percent to $24 billion, leaving a trade surplus of $16 billion.

Taiwan's foreign trade last year amounted to $50.8 billion with a surplus of $10.6 billion.

The island's export-oriented economy has been active since the value of U.S. dollar started to fall against major foreign currencies more than a year ago, strengthening the competitiveness of Taiwan products in overseas markets, the board said.

Meanwhile, the central bank said Taiwan's money supply growth rate had soared to 48.2 percent in the year to November, the highest in 13 years, as result of booming business activity and record foreign exchange reserves.

Bleak Future Forecast for Ailing Vietnam Economy

By Laurent Maillard
Agence France-Presse

HANOI — Vietnam's ailing economy failed to perform to expectations in 1986 and the country faces more problems, particularly in the energy sector, in the coming year, according to a senior government official.

Vo Van Kiet, a vice chairman of the Council of Ministers and chairman of the State Planning Commission, made the remarks while presenting a report on the economy to the National Assembly last week.

He said that practically every sector had failed to perform according to plan in 1986. And, he said, despite an improvement in the past two years, Vietnam would continue to experience coal and electricity shortages in 1987.

The minister said that gross national product, the country's total output of goods and services, had grown by 4.6 percent in 1986, slightly more than the 3.5 percent of 1985 but less than in the 1982-1984 period when annual growth was 7 percent to 8 percent.

Agricultural output, at 18.5 million tons, was 300,000 tons more than in 1985 but 1.5 million tons below target.

Mr. Kiet, in his remarks last Wednesday, said a disappointing harvest had been exacerbated by bureaucratic inefficiency, which meant notably that peasants did not get enough fertilizer and pesticide.

The industrial sector grew only 5.6 percent in 1986, less than the 9-percent growth of 1985 and below the average 12-percent to 15-percent growth since 1980, according to official figures.

Small industries expanded by only 4.9 percent, half as much as in 1985, and a long way off the 16 percent averaged in the early 1980s.

Mr. Kiet blamed disappointing results in this sector on "shortcomings in the state policy on purchase prices and supplies of raw materials."

He added: "The quality of products continues to deteriorate."

Electricity and cement production also failed to come up to expectations but coal output met its target for the first time in several years, the minister said, without giving details.

Western experts put the 1986 figure at 5.8 million to 6 million tons.

Mr. Kiet forecast coal output for 1987 at 6.5 million tons but added that this would still not meet demand.

Coal is Vietnam's main energy resource and a major export, but production has been hampered by use of outdated equipment.

The lack of coal meant that electricity output for 1986 was below target, and the output forecast for 1987 will meet only 90 percent of the country's minimum needs, Mr. Kiet said.

In exports, Vietnam achieved only 83 percent of its target with its main trading partner, the Soviet Union, according to the figures.

The government's share of retail trade, which covers essential goods, fell by 15 percent in 1986, and "the activities of private traders and speculators could not be reduced," Mr. Kiet said.

He deplored the fact that the state controlled only 16 percent of foreign exchange received from nonsocialist countries. Consequently the government finds it impossible to purchase imports necessary for the national economy, he said.

The state had control of only 30 percent to 40 percent of the goods produced by small industry, which accounts for two-thirds of industrial output.

The budgetary deficit "largely exceeded forecasts," Mr. Kiet said, without giving figures.

According to official figures, the deficit for 1986 was forecast at 12 billion dong ($150 million at the official exchange rate), or more than 6 percent of the gross domestic product, the country's total output of goods and services minus income from operations abroad.

Mr. Kiet did not touch on the inflation rate, which according to Vietnamese and foreign experts was more than 700 percent in 1986.

Vietnam is aiming for growth of 10 percent in consumer goods in 1987, and a 16.4 percent increase in exports, with a view to achieving GNP growth of 7.8 percent, Mr. Kiet said.

The minister said that the population growth rate had slowed from 2.3 percent in 1985 to 2.2 percent. Vietnam's population is about 60 million.

Mr. Kiet said a target growth rate of less than 2 percent had been set for 1987, and a target of 1.7 percent by 1990.

MCI to Take a Big Charge, Sees 'Sizable' Loss for Year

Washington Post Service

WASHINGTON — MCI Communications Corp. has said that its after-tax charge in the fourth quarter would total $500 million to $550 million, which means the telecommunications company would show a "sizable" loss for the year.

The write-downs and a previously announced restructuring would cost $1.75 to $1.95 a share, William E. Conway, MCI senior vice president and chief financial officer, said on Friday.

At a security analysts' meeting last month, MCI officials had estimated that the company would take a pretax charge of $500 million to $700 million.

MCI had said previously it would lay off more than 2,300 workers.

On Dec. 18, American Telephone & Telegraph Co. said it would take a charge of $3.2 billion against earnings this quarter and slash 27,400 jobs.

The MCI and AT&T announcements reflect shifts away from expectations of double-digit growth and toward cost-cutting to enhance profitability.

MCI primarily offers long-distance telephone service to consumers and is trying to position itself as a provider of data and voice networks for business and industry.

At last month's meeting, MCI said the restructuring ultimately would improve its focus on the business marketplace.

On the pretax basis, Mr. Conway said he expected that costs associated with the layoffs and restructuring would constitute "probably less than $75 million."

More than half the assets written down would be satellite related, he said, notably the assets acquired in February when MCI purchased the perennially unprofitable Satellite Business Systems from International Business Machines Corp. Roughly $530 million will be for equipment write-downs.

In 1985, MCI had net income of $113.3 million, or 48 cents a share, on revenue of $2.54 billion.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	Dec. 26	Dec. 19	Ch'ge
DJ Indus.	1,930.40	1,928.85	+ 0.08 %
DJ Util.	209.47	212.06	— 1.24 %
DJ Trans.	819.65	835.88	— 1.98 %
S & P 100	235.90	238.30	— 1.02 %
S & P 500	246.92	249.69	— 1.12 %
S & P Ind	275.35	277.90	— 0.93 %
NYSE Cp	141.14	142.65	— 1.07 %
Britain			
FTSE 100	1,665.10	1,632.20	+ 2.02 %
FT 30	1,301.20	1,272.10	+ 2.29 %
Japan			
Nikkei 225	18,820.65	18,930.03	— 0.58 %
West Germany			
Commerzbk	2,043.60	2,038.70	+ 0.24 %
Hong Kong			
Hang Seng	2,523.92	2,463.81	+ 2.44 %
World			
MSCIP	n.a.	353.10	— %

World Index From Morgan Stanley Capital Int'l.

Money Rates

United States	Dec. 26	Dec. 19
Discount rate	5½	5½
Federal funds rate	6½	6¼
Prime rate	7½	7½
Japan		
Discount	3	3
Call money	4 5/16	4 3/16
3-month interbank	4 5/16	4 5/16
West Germany		
Lombard	5½	5½
Call money	5½	5½
3-month interbank	5¼	4.85
Britain		
Bank base rate	11	11
Call money	11¼	10⅝
3-month interbank	10 11/16	11⅛
Dollar	Dec. 24	Dec. 19	Ch'ge
Bk Engl Index	—	n.a.	— %
Gold			
London p.m. fix	391.00	394.80	— 0.97 %

Currency Rates

Cross Rates

Dec. 26

	$	£	D.M.	F.F.	It.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam					Closed				
Brussels(a)					Closed				
Frankfurt					Closed				
London (b)					Closed				
Milan					Closed				
New York(c)	——	0.6863 =	1.9608	6.4775	1,362.50	2.2195	40.87	1.637	159.80
Paris	6.4725	9.449	3.38	——	4.7425 =	2.92	15.88 =	3.9435	4.028 =
Tokyo	160.80	234.77	82.04	24.93	13.86 =	72.56	394.89 =	97.50	——
Zurich					Closed				
1 ECU	1.0921	0.7283	2.0789	6.8253	1,442.39	2.3509	42.3466	1.7303	171.015
1 SDR	1.2134	0.8325	N.Q.	N.Q.	1,656.58	2.6968	49.7247	2.0015	196.569

New York rates at closing. (a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (=) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available. (=) To buy one pound: SU.S.1.457

Other Dollar Values

Currency per	U.S.$	Currency per	U.S.$	Currency per	U.S.$	Currency per	U.S.$
Argen. austral	1.219	Fin. markka	4.85	Mex. peso	705.00	S. Kor. won	869.20
Austral. $	1.5119	Greek drac.	139.50	N. Zealand $	1.9083	Soviet ruble	0.6783
Austr. schil.	13.86	Hong Kong $	7.792	Nig. naira	2.1441	Span. peseta	133.00
Belg. fin, fr.	41.17	Indian rupee	12.45	Norw. krone	7.4825	Swed. krona	6.8575
Brazil cruz.	14.71	Indo. rupiah	1,654.00	Phil. peso	20.25	Taiwan $	35.66
Canadian $	1.3777	Irish £	0.7239	Port. escudo	147.25	Thai baht	26.145
Chilean peso	3.7221	Israeli shek.	1.4743	Saudi riyal	3.751	Turkish lira	760.10
Danish krone	7.44	Kuwaiti dinar	0.294	Sing. $	2.1865	UAE dirham	3.672
Egypt. pound	1.45	Malay. ring.	2.576	S. Afr. rand	2.2124	Venez. bolív.	20.30

£ Sterling: — Irish £

Sources: Banque du Benelux (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gesbank (ruble), Other data from Reuters and AP.

To Our Readers

International bond prices, new Eurobond issues, the International Credit and U.S. credit columns and the European Community column were not available for this edition because of the holidays. The listing of international stock prices is incomplete for the same reason.

Castro Orders Austerity Plan, Price Increases

Agence France-Presse

HAVANA — Cubans must make new "efforts and sacrifices" because of a drastic fall in foreign-currency reserves needed for vital imports, President Fidel Castro has told the National Assembly.

The country faces some "lean cow years," he warned Friday, in announcing a series of 20 austerity measures. They will include increases in bus fares, gasoline prices and electricity charges.

Mr. Castro said Cuba will have only $600 million to $650 million next year for imports from Western countries compared with an average of $1.2 billion in recent years. He blamed the decrease on the fall in oil and sugar prices, depreciation of the U.S. dollar and the worst drought in 40 years.

Economic growth of 1.5 percent to 2.0 percent is forecast for 1987 — the lowest target in recent years — while exports are expected to rise by 5 percent to 6 percent.

Market Was Open, but Clients Stayed Away

By John Crudele
New York Times Service

NEW YORK — The head trader at one Wall Street brokerage firm had a bone to pick with John J. Phelan Jr., chairman of the New York Stock Exchange.

"I called John Phelan to indicate that nothing was going on, and it was foolish to have the market open," the trader said Friday. "And he wasn't in."

Mr. Phelan was on vacation. But he was not the only one on Wall Street who had the day off. Trading was numbingly slow, the slowest in exactly two years.

The absence of action resurrected the debate over whether the New York Stock Exchange should be open the day after Christmas.

The Big Board closes for holidays eight times a year. Its rules oblige member brokerage firms to remain open whenever the exchange does business.

Employees at one brokerage firm tossed a football around. At others, those who had to work the day after Christmas read newspapers, played cards, treated their children to a long lunch, or dove into a mounds of paperwork that have piled up over the last few hectic weeks.

In general, brokerage firms started the day with no more than half of their trading staffs on the job. Analysts, investment bankers, clerical help and other workers on Wall Street were in equally short supply.

Not that any of these people were needed. Only 48.9 million shares changed hands on the New York Stock Exchange on Friday, which makes it a prime candidate for one of the most boring days in the stock market's recent history. In the previous session, on Wednesday, 95.4 million shares traded.

Friday would have surpassed Dec. 26, 1984, in futility, but a block of 2.8 million shares of Southern California Edison crossed the tape in the final minutes to save the day.

The grousing, from both those who simply wanted another holiday and those annoyed because it was costing them money to stay open in such a dull market, was loud. And even some who believe the market should have been open argue that the session could have been handled differently.

"Perhaps it might have been appropriate in a situation like this to keep the market open only a couple of hours," said Bernard Fortgang, director of block sales at Prudential-Bache Securities Inc. He said the half staff that showed up Friday was still grossly underutilized.

He said it was right to have the market open on Friday because "you don't really want the market closed for four straight days. But given the economic reality, it's obviously an overallocation of human resources. There is just not enough business to go around."

The bond market in the United States was open for a few hours Friday, and markets for some financial commodities were open. Some markets for raw foodstuffs and industrial commodities were opened, others were closed.

The NYSE says there were good reasons for opening the market for a full session.

"The New York Stock Exchange is an institution that serves investors worldwide and remains open to give shareholders worldwide an opportunity to participate in that marketplace," Robert Birnbaum, president of the exchange, said. He said it was particularly important to provide a marketplace "as we near year-end."

Statistics Index

Amex options	P. 8	New issues	P.—
Chicago options	P. 8	OTC nat'l list	P.—
Currency rates	P. 7	OTC nat'l market	P. 8
Emerts at a glance	P. 9	Treasury bonds	P. 9
Int'l bonds	P.—	Wall St review	P. 6
Mutual funds	P. 6	Week's markets	P. 7

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NASDAQ National Market

OTC Consolidated trading for week ended Friday.

(Continued)

Stock	Div.	Yld.	Sales in 100s	High	Low	Close	Net Ch'ge
KyCnLf	1.10	2.1	340	54	52½	53¼	+ ½
Kevex			546	4⅛	4	4⅛	— ⅛
Kevlin			121	3	2⅝	2⅝	— ⅛
KewnSc	.44	4.3	51	10¾	10¼	10¼	— ⅛
KeyCen	1.00b	2.9	366	35	33¾	35	+1
KeyTrn			758	7⅛	6⅝	6⅞	
KeyFn s	.76	3.6	326	21¼	20	21¼	+1
KeysHrt	.80	3.3	22	24	23½	24	—1
Kimbal	.64	2.1	226	30¾	29¾	30½	+ ¼
Kimbrk			56	1⅛	⅞	⅞	
Kincaid			170	11	10½	10¾	+ ¼
Kinder s	.06	.4	5724	14¼	14	14	— ⅛
KngsRd			1383	3½	3	3⅜	+ ⅜
KloeVd			83	2¾	2¼	2¼	
Knape	1.50	3.0	69	50½	46½	50½	+1½
Koss			268	4½	4⅛	4½	
Kreisir			14	9¾	9⅝	9¾	+ ¼
Kruger	.36	2.5	1332	14¼	13⅝	14¼	+ ⅝
Krug s	.03	.3	207	9	8	8¾	
Kulcke		1.5	974	8⅛	7⅝	7¾	— ¼
KustEl			61	4⅞	4⅝	4¾	— ¼

L

Stock	Div.	Yld.	Sales in 100s	High	Low	Close	Net Ch'ge
LA Gear			1039	9¾	9	9¼	— ½
LCS s			353	8¼	7¾	7⅞	+ ⅛
LDBrnk			619	5⅝	4⅞	5⅛	+ ⅛
LPL			164	11¾	11¼	11¼	— ⅛
LSB NC	.48	3.3	868	21½	20	20⅝	+ ⅝
LSI Lt			364	14⅝	14⅛	14⅜	+ ⅛
LSI Lgs			11498	10¼	9½	10⅛	+ ¼
LTX			342	8¼	7½	8	
LaPete s			1074	16¼	16	16¼	+ ⅛
LaZ By	1.60	2.4	738	68¾	65½	66	—2¾
Lacan g			94	6⅞	6½	6½	
LacldSt	.25e	1.5	32	17⅜	17	17	
LadFr s	.12	.8	2093	15⅝	15½	15⅝	— ¼
Laidlw	.20	.9	292	22¼	21¾	22	
LdlT A s	.14		186	16¼	14⅞	16	+2
LdlT B s			1250	13⅝	13	13⅝	+ ¼
LkeSun	.12e	.6	128	20	19	19	— ⅛
LamRs			485	4⅝	4⅜	4⅜	— ¼
LamaT	.40t		70	9⅝	8¾	8¾	

Stock	Div.	Yld.	Sales in 100s	High	Low	Close	Net Ch'ge
Lancst s	.64	3.4	1840	19¼	18⅞	19	— ⅛
Lance	1.08	2.8	1167	39½	38½	39	
Lancer			150	10⅝	10¼	10½	
LdLnSL	.48	3.5	960	13⅞	12½	13⅞	+ ⅜
LdmkB			161	15	14⅞	15	— ⅛
LdmkF			149	12¾	12	12¾	
LndEnd			739	24⅝	23¼	23⅝	—1
Lane s	.80a	1.5	6798	55½	53½	53½	—1½
Langly	.45e	5.8	332	8	7½	7¾	
LaserPr			575	8⅝	7⅝	8⅝	+ ⅞
LaserCp			501	4⅛	3⅞	4⅛	+ ⅛
Laurel			333	4⅛	3¾	4⅛	— ⅛
LawrSv			184	12⅛	11¾	11¾	— ⅛
Lawsn s	.24	1.1	399	22	21⅛	21½	— ½
LeadDv			14	5⅞	5	5⅞	
LeeDta			1776	6⅝	6⅛	6½	
Leiner			172	18	16¼	18	+2
LeisCn s			980	4	3½	3½	— ½
Lesco s	.011	.1	261	12⅝	11¾	12½	+ ⅜
LewisP	.28	3.9	620	7⅝	7⅛	7¼	— ⅛
Lexicn s			832	3⅛	2⅞	2⅞	— ½
LbtyH A	.24	2.7	90	9⅜	8⅞	8⅞	
LbtyH B	.20	2.2	81	9¼	9	9	
LibNB s	.76	2.6	578	30	29	29½	— ½
Liebr			1472	16½	16	16⅜	+ ⅜
Liebrt	.12	.4	2228	27¾	23¼	27¾	+3½
Lieine			652	4	3½	3⅞	
Lilnvs	.24	.5	240	49¼	45¾	48¾	— ¼
LieTch			468	9⅞	9⅛	9½	— ½
Lilly A s	.42	3.0	619	14¼	14	14	— ¼
LinBrd			6068	56	53⅝	56	+2¼
LincLg n			27	4⅝	4½	4½	
LincFn s	.73	3.3	296	23	20½	22	—1⅛
LincFd			937	9¾	8½	9	— ⅜
LincSB			472	22¼	22¼	22¼	—1
LincTel	2.20	4.5	343	49	46	48½	+ ½
LindlH			40	4½	4¼	4½	+ ⅛
Lindbrg	.16a	2.8	144	6⅜	5⅜	5¾	— ⅜
LinerCo			641	8½	7⅞	8⅛	+ ¼
LnFlm s			1115	17	13¾	16½	+2¾
LinearT			2328	8¾	8⅛	8½	+ ⅜
Liposm			202	6⅞	6½	6¾	+ ¼
LiqBx s	.60	1.4	118	46	42	42	—3
LiqdAir	1.60	4.9	536	32⅞	28¾	32½	+4
LithiArt	1.36	4.1	47	34¼	33	33½	+ ⅜
LvngWl			177	3⅝	3¼	3¼	— ½
LizClas	.25	.6	8217	45	41	42½	—1¾
LoanA s			4	9¾	9¾	9¾	
LocalF	.30	3.2	34	10	9½	9½	— ⅜
Lodestr			577	2¾	2½	2½	— ¼
LondnH			81	6¼	6	6	— ¾
LoneStr			1711	6⅝	6⅛	6¼	
LongLke			160	7¾	7¼	7⅝	

Stock	Div.	Yld.	Sales in 100s	High	Low	Close	Net Ch'ge
LongF	1.60	4.4	787	37¼	34¾	36⅜	— ⅜
Lotus			8110	54⅝	52½	53	— ¼
LVultm	2.08e	5.0	23	41¾	41⅛	41¾	+ ⅜
LaBnch	.72t		1530	8	7¼	7¾	— ⅜
Lowell	.15e	1.6	401	9⅝	9¼	9⅝	+ ⅛
Lowranc			3502	8½	7⅝	8⅝	
Loyola			1031	13⅝	13	13½	+ ½
Luskin			330	5	3⅞	4½	— ¼
Lynden			26	16	14½	14¾	— ½
Lypho			6454	18¾	17⅝	18½	— ⅛

M

Stock	Div.	Yld.	Sales in 100s	High	Low	Close	Net Ch'ge
MARC			391	10¼	9⅝	9¾	— ½
MBI			471	6⅛	5¼	5½	— ½
MCI			53415	6⅞	6⅛	6⅝	+ ½
MI Hom			236	5⅞	5⅜	5⅞	+ ⅜
MLX			450	5⅞	5	5⅝	+ ⅝
MMI			50	4⅞	4½	4¾	+ ⅛
MNX			22	19¾	19¼	19¾	
MPSI			371	6	5⅜	5¾	+ ⅛
MS Car			210	31½	30¾	30⅞	— ⅛
MTS	.28	1.0	240	30	28½	29¼	+ ⅛
MTECH			9173	17¼	15½	15⅞	—1½
MDmd s	.52	2.3	281	23	21	23	+1½
MachTc			713	3½	3	3½	+ ⅜
MchVsn			1161	⅞	½	½	— ⅜
MackTr			1601	11	10⅝	10⅞	+ ⅛
MB Lt g	.25r		619	30⅜	30⅛	30⅜	
MadGE	2.36	6.6	587	37¼	35⅛	35¾	—1⅛
MagmE			226	5⅝	5⅜	5⅜	— ¼
MagmP			853	15¼	14⅝	14⅝	— ⅜
Magnol	.48		1949	17	16½	16½	— ⅜
MagGp	.68b	3.9	293	18½	17½	17½	— ½
MallBx	↑		278	17¾	16	17¾	+1⅛
MalRt			480	9½	8½	9¼	+ ½
Makita	.22e	.5	64	47½	46¼	46¾	—1⅛
Malrite	.01e	.1	297	9¾	8⅝	9¾	
MalrilA	.01e	.1	362	8½	8	8	— ½
MafAst	.30c		970	1⅜	1¼	1⅞	
MgtSci			3356	13	12⅜	12⅞	— ¼
Manitw	.80	4.2	3292	19¼	18⅜	19	
MfrsNt	1.44	3.7	2656	40	38⅞	39	— ½
MarbFn			838	24	22½	22½	— ¼
Marcus	.33	1.5	181	21¾	21	21½	— ¼
Maroux			1782	2¾	2⅜	2½	— ¼
Mariet			272	9	8	8	
Marlil s	.22	1.8	108	12⅝	11¾	12⅜	+ ⅝
MarneC	1.48	3.8	444	40	38¼	38½	—1⅛
MarinT			92	7	6⅞	6⅞	
MTwan	.88	2.8	163	32¼	31¾	31¾	
MktFct	.32	3.7	28	8⅝	7⅜	8⅝	+ ⅛
Marast			511	9	8⅛	8⅛	— ⅛
MarsSt			407	5	4⅝	4¾	

[Remaining NASDAQ National Market listings (Mrsh through Zymos, sections N, O, P, Q, R, S, T, U, V, W, X, Y, Z): illegible at scan resolution]

American Exchange Options

Figures as of close of trading Friday. Dec. 26

Option & price	Calls			Puts		
[illegible]						

Total Volume: 50,412

Open Interest: 2,790,482

r—Not traded. s—None offered. o—Old.

Chicago Exchange Options

Figures as of close of trading Friday. Dec. 26

Option & price	Calls			Puts		
[illegible]						

Total Volume: 99,612

Open Interest: 4,644,361

r—Not traded. s—None offered. o—Old.

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BUSINESS/FINANCE

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Venezuela's Oil Income Fell $4 Billion in Year

Reuters

CARACAS — Venezuela's annual oil income dropped by more than $4 billion in 1986, but the economy expanded by 3.3 percent, the first inflation-adjusted growth in eight years, according to President Jaime Lusinchi.

"This growth of 3.3 percent means the end of eight years of consecutive impoverishment of the country, achieved under the burden of the largest decrease in our oil revenues," Mr. Lusinchi told congression Saturday at the close of the legislative session.

The growth in gross domestic product came despite a one-third decrease in oil revenues, which provide more than 90 per cent of foreign exchange earnings. GDP measures goods and services produced by an economy, minus income from operations abroad.

Oil revenues fell to $8.2 billion this year, down from $12.4 billion in 1985 and from $14.2 billion the year before, Mr. Lusinchi said.

Despite the decline in oil income, the Venezuelan leader said his government had managed to avoid "an economic cataclysm."

Although he did not provide figures, the president said the country's foreign reserves were still high enough to cover seven months of imports. Reserves stood at $13.7 billion at the end of 1985.

Mr. Lusinchi said unemployment dropped to 10.5 percent during the second half of 1986, down from 12.1 percent in the same period in 1985.

No changes are expected in 1987 oil income even though Venezuela has been encouraged by the recent accord by the Organization of Petroleum Exporting Countries designed to cut production in an effort to raise oil prices. OPEC agreed earlier this month to cut output by 7.25 percent to raise oil prices to $18 a barrel.

Oil, currently at around $17 a barrel, has been as low as $9 in the past year. At the end of November 1985, the price stood at more than $30 a barrel.

Aide Says Oil Needs Rising in Southeast Asia

Agence France-Presse

KUALA LUMPUR, Malaysia — Oil needs of the Association of Southeast Asian Nations will rise to 1.2 million barrels per day by 1995, from the current 1.1 million barrels, the head of Malaysia's national oil company has estimated.

Abdullah Salleh, the executive, said energy demand in Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand was projected to grow by 5 percent a year.

Algerian Urges OPEC to Seek $28 a Barrel

Reuters

ALGIERS — Algeria's energy minister has said in a newspaper interview that OPEC should aim at a crude oil price of $28 a barrel because its current goal of $18 was "barely acceptable."

The minister, Belkacem Nabi, was also quoted in the latest edition of the official Algerian weekly Révolution Africaine as saying that the Organization of Petroleum Exporting Countries should be revamped to make it less "passive."

After lengthy negotiations in Geneva earlier this month, the 13-member group, with the exception of Iraq, agreed to cut output by 7.25 percent in the first half of 1987. The decision was aimed at raising oil prices from their mid-December level of just above $15 a barrel to $18 in the coming weeks and to return the market to a fixed price mechanism.

Mr. Nabi said the control of OPEC production in order to defend the price of $28 could be a simple matter.

"We export through a limited number of oil ports. It would be simply a matter of getting organized to control exports from these ports," he said.

Cost of Interest on U.S. Debt Levels Off, May Fall

By Robert Pear
New York Times Service

WASHINGTON — The cost of paying interest on the federal debt has leveled off after rising rapidly for more than 25 years and it may even decline in the current fiscal year, according to budget experts in the Reagan administration and Congress.

Such interest payments have long been considered one of the biggest uncontrollable elements in the federal budget. When the government borrows money and agrees to pay interest, it incurs a legally binding obligation and would risk default if it failed to pay the full amount of interest due at a particular time.

In February 1985 the Congressional Budget Office said, "Interest outlays are the fastest-growing major component of government spending." Federal interest payments shot up $21 billion, from $90 billion in the fiscal year 1983 to $111 billion in 1984.

But President Ronald Reagan's budget, to be submitted to Congress on Jan. 5, will show little or no increase in net interest payments for this year, according to administration officials.

Economists at the Congressional Budget Office estimate that interest costs, which rose from $129 billion in 1985 to $136 billion in 1986, will probably decline to $134 billion in the fiscal year 1987, which began Oct. 1.

Just two years ago the budget office projected that interest costs would total $163 billion in 1987.

The reason for the decline is that interest rates have fallen dramatically. The government is borrowing more, but paying less in interest. As a rule of thumb, the Congressional Budget Office estimates that when interest rates decline by one percentage point, the government saves $3 billion in the first year and substantially more in later years.

Interest on the federal debt is paid by the Department of the Treasury and accounts for about 14 percent of all federal spending. This is more than the budget of any agency except the Department of Defense and the Department of Health and Human Services.

The annual cost of paying interest on the federal debt has declined only three times since 1940. On the last occasion, interest costs dipped from $6.9 billion in 1960 to $6.7 billion in 1961.

The government must borrow $170 billion to $200 billion this year to cover the gap between its outlays and receipts. The borrowing will increase the public debt, which represents the federal government's accumulated borrowing from individuals, banks and other investors over more than a century.

Debt held by the public has more than doubled in five years, from $794.4 billion in the fiscal year 1981 to $1,745.6 billion in 1986.

There is virtually no way for the government to reduce the debt unless it runs a budget surplus. But the debt turns over rapidly, because the government borrows more money each week to pay off maturing debt. About 45 percent of the debt is refinanced, through the issuing of government securities, every 12 months.

Interest rates on new borrowing are often lower than the rates on older government securities. For example, the Treasury Department recently refinanced notes issued originally at interest rates ranging from 11 percent to 16 percent; the new rates were about 7 percent.

Administration officials said the reduction in federal interest costs was one of two important factors helping Mr. Reagan as he sought to reduce the growth of federal spending.

The other factor is his decision to slow the U.S. military buildup. In January 1982, he proposed rapid increases in the military budget, to a level of $424 billion in the fiscal year 1988. But when he sends his 1988 budget to Congress next month, he will seek much less: $312 billion, according to administration officials. This figure represents an increase of 3 percent from 1987, on top of the amount needed to keep pace with inflation.

Mr. Reagan has said the decline in interest rates resulted, in part, from his policies. Economists in and out of the government listed several reasons for the decline. The main one, they said, was the reduction of inflation, especially the fall of oil prices, in the last few years. This, in turn, has lowered expectations of future inflation, which are reflected in interest rates.

Another factor, they said, has been the public perception that Congress was serious about reducing the gap between government spending and receipts. This perception grew, in part, from a budget-balancing law passed in December 1985.

The policy of the Federal Reserve Board, which has eased its grip on the money supply in an apparent effort to foster economic growth, has also contributed to the decline in interest rates.

Government officials focus on net interest as the most useful measure of federal borrowing costs. This figure omits interest that the government pays to itself, such as interest on government securities held by the Social Security trust funds. The trust funds may not buy private stocks or bonds; under federal law, their assets can be invested only in interest-bearing government securities.

Net interest takes account of interest payments to the government by the thousands of students, farmers and other people who have received loans under various federal programs.

Despite Final Surge, Christmas Sales Didn't Show Usual Gains



Reuters

Customers in Toronto reach for a sweater thrown at them as department stores started their post-Christmas sales.

By Isadore Barmash
New York Times Service

NEW YORK — With a sales surge in the final week, the 1986 Christmas shopping season ended strongly but with less than the normal seasonal increases, according to retailers around the United States.

"We had a strong finish that pulled everything out," said Elliott J. Stone, chairman of the Jordan-Marsh Co., the Boston-based chain of 19 department stores that is New England's largest.

Ric Wanetik, senior vice president, sales promotion, of Chicago-based Marshall Field & Co., which operates 25 department stores, said, "It came late, but the last week was surprisingly strong and helped us exceed our expectations."

In New York, Robin Farkas, chairman of Alexander's Inc., with 14 stores in the metropolitan area, reported that the company had a "very small improvement over last year."

"We would have liked to have seen a more vibrant Christmas," Mr. Farkas said. "The nice thing is that our inventories are in good shape so that we won't have to slash prices much more, although we will be competitive."

The 27-day shopping season, which officially began the day after Thanksgiving Day, had more than the normal ups and downs. The initial weekend brought out millions of shoppers, prompting retailers to expect hefty seasonal gains. But the next two weeks turned slow and, in some cases, agonizingly disappointing.

Some retailers said that consumers were concerned by the approach of the new tax law and particularly the news of thousands of industrial layoffs. "It created a disquietude at an important time for all of us," one merchant said.

Last week, however, again yielded a change: a sharp, stunning outpouring of buying in some cases. The week added an average 10 percent more business to the season, with merchants estimating that their overall sales since Thanksgiving Day ranged from even with last year to as much as 10 percent ahead. Based on the retailers interviewed by telephone, the average appeared to be about 4 percent to 5 percent, with a few more days of December shopping left, compared with an increase of 8 percent a year before for all of December.

For the overall season, Dayton Hudson Corp. in Minneapolis found "an uneven pattern of sales, with no consistent buildup," according to a spokesman.

"But we had modest expectations and the results supported it," he added. "Overall, it was a good but not a great Christmas."

At Sears, Roebuck & Co., the largest U.S. retailer, a spokesman said that, "contrary to published reports that we were having a weak Christmas, it was fairly good and in line with our expectations."

At the K mart Corp., the second-largest retailer, a spokesman reported that sales through the first few weeks were "soft but we hope that the final week made the difference."

Supporting a contention on the part of some retailers that the lagging segment of shoppers consisted of low- and middle-income families, most stores reported that luxury merchandise at higher prices moved best during the season.

The Name of the Game Is Change

Some U.S. Corporations Stir Debate With New Monikers

By James Risen
Los Angeles Times Service

LOS ANGELES — When the chairman of the growing copier company saw the final proposal from the outside consultants, he hated it. They had come up with a new name for his company, but it was an awful, made-up name — a nonword.

"The chairman was concerned that, as a word, it would be too difficult to pronounce because of its strangeness," recalls Clive Chajet, chairman of Lippincott & Margulies, the New York consulting company that helped develop the new name back in the early 1960s.

But the chairman was won over, and the copier company changed its name — to Xerox Corp.

Someday, perhaps, Unisys, USX, Navistar and Trinova, corporate names created and introduced within the last year, will, like Xerox, become ingrained into the American lexicon.

Someday, perhaps, the original names of Burroughs and Sperry (now Unisys), United States Steel (USX), International Harvester (Navistar) and Libby Owens Ford (Trinova) will become little more than footnotes in the annals of business history. People will look back on all the fuss made over the disappearance of such good old names and laugh.

But not today. Today, lots of people seem to think those new names are just terrible substitutes for some of the most hallowed, most recognizable names in corporate America.

The name Navistar "does not do justice for our good old International Harvester Co., makers of motor trucks all these years," complains Anthony Trentz, a retired employee of International Harvester from Waterloo, Iowa, in a letter to Navistar management. He urged use of a name that would "be recognizable by our old customers and owners of IH trucks."

"Unisys? It sounds like urinalysis; it's really disgusting," says Chris Locke, a marketing specialist at a Pittsburgh computer software company.

"It sounds like the name of a shampoo or a beauty salon," adds Charlotte O'Hanlon, a receptionist with Unisys in Atlanta.

But like them or not, Unisys, USX, Navistar and Trinova represent the future of corporate naming. In fact, they are just the most visible products of the latest fashion in the business world — the dumping of venerable names in favor of new company logos and identities that even their creators concede are little more than computer-generated gibberish.

Companies wanting new names make them up, usually with the help of a computer. Computers at the major consulting companies spew out thousands of combinations of roots and stems of real words; the lists are then reduced to those combinations that are pronounceable, "artificial" words that vaguely sound as though they might mean something.

Even their creators concede that the new names are little more than computer-generated gibberish.

A handful of candidates are selected, and then a worldwide search of their legal availability and graphic possibilities often reduces the list to two or three finalists.

It is a trend that is sweeping away some of America's best known company names with such speed that a backlash of sorts seems to be emerging among critical stockholders, customers and workers. Even marketing experts are beginning to worry that the corporate landscape is starting to look a little too sterile, too laden with gobbledygook.

"A lot of the new names are very unfortunate," concedes Alan Siegel, chairman of Siegel & Gale Inc., the corporate identity consulting company that developed the much-criticized USX name for U.S. Steel.

"These people should go talk to some English teachers before they come up with these names," adds Martin Friedman, a marketing specialist and editor of the New Product News newsletter. "It's kind of hard to believe they did a lot of research on some of these."

Some critics even complain that the growing use of computer-generated acronyms and artificial names reflects the fact that big companies are now run by technocrats with little feel for the traditions and histories of their companies, or for the products that they make.

"It is a very sad commentary," says Eugene Jennings, a widely respected management expert at Michigan State University. "You've got a bunch of professional managers running these companies who don't have a gut feeling for the value of a company's name and its traditions," Mr. Jennings adds.

"A name change, particularly when a company changes its name to initials like USX, tends to make the company seem a little bit more aloof, a little more estranged," says Paul Argenti, a professor at the Amos Tuck School of Business at Dartmouth College, who is conducting a study of the impact of name changes on corporations.

In fact, USX's name has been "met with sheer derision" by rank-and-file union workers who are now on strike against the steelmaker, notes Dick Fontana, a spokesman for the United Steelworkers union.

But despite the critics, corporations are changing their names at a record pace this year, and "identity" experts expect another new record to be set in 1987. At least 950 corporate names were changed in the first nine months of the year, up from about 750 during the same period last year, according to Russell R. Anspach, a principal at Anspach Grossman Portugal Inc., a New York corporate identity consulting company.

U.S. Credit-Card Industry Registers Record Year With $5 Billion Profit

By Nancy L. Ross
Washington Post Service

WASHINGTON — For the U.S. credit-card industry, 1986 has been a premium year. Pretax profits are estimated at $5 billion, up from $3.6 billion in 1985, according to H. Spencer Nilson, publisher of the authoritative Nilson Report.

Unfortunately for the industry, the record appears destined to stand for a long time to come.

"This is the most profitable year," Mr. Nilson said. "It will never be this profitable again."

Banks — some of which made 30 percent of their total profits this year from credit-card operations — are increasingly feeling the pressures of lower interest rates and greater competition.

A year of concerted lobbying by consumer groups and congressmen to get card issuers to cut rates has begun to pay off. Although the average rate charged on bank cards has declined by less than a point to 18.15 percent, the momentum may finally be there.

The third-largest issuer, Chase Manhattan with 4.2 million accounts, lowered its rate last week on its regular Visa and Mastercard to 17.5 percent from 19.8 percent. The rate on its premium Visa card went to 16.5 percent.

"Chase anticipates that Citi will lower rates on its standard cards and wanted to get there ahead," Mr. Nilson said. Citibank, the foremost issuer with 7 million credit card accounts, lowered the interest rates on its preferred Visa to 16.8 percent several weeks ago.

"The bank-card market has begun to crack," said Representative Charles E. Schumer, Democrat of New York, who has been a protagonist in the struggle for lower rates.

Mr. Schumer recently issued a list of rates on in-house charge cards issued by the largest department stores in the country. The average annual interest rate charged by the 12 biggest was 19.9 percent.

Elgie Holstein, director of Bankcard Holders of America, said calls to his organization show that two-thirds of consumers are interested in rates. Chase hopes that lower rates, as part of a package of enhancements and fee waivers, will lure 1.5 million new card holders.

But Mr. Nilson countered that less than 5 percent of card holders shift cards because of rates on carrying charges. As for Chase's 10 percent travel rebates on hotels and 5 percent on air fares and car rentals, Nilson dismisses them as a marketing ploy.

Chase announced it would waive its annual $20 fee on its regular card if the holder charged $2,400 worth of goods and services each year; the $45 fee for a premium card would be waived after $5,000 in annual purchases.

Traditionally, half of all credit-card users pay off their balance monthly while the rest incur charges for revolving credit. Some studies indicate that since the tax deduction on consumer interest will be phased out starting next year, fewer persons will run up their card balances.

On the other hand, consumer debt has continued to increase, fueled in part by revolving credit.

In an attempt to make up the revenue lost from lower interest rates, many banks are raising fees for convenience users — those who always pay off in full at the end of the month. Citibank, for example, accompanied the 3 point decline in rates on its preferred Visa card with a $10 boost in the annual fee to $50.

Citibank, which owns the Choice card, has offered it free of annual fee but with a 21 percent interest rate since 1980. For the past three months, the bank has been test marketing a $20 annual fee accompanied by a lower rate.

The newest major entrant in the field, Sears's Discover card, has no annual fee and none is contemplated for now, said a spokeswoman. It charges 19.8 percent interest.

Affinity cards — those issued to members of a group — carry even lower rates. For example, the Bank of New York recently agreed to issue 200,000 cards with a 12.5 percent rate to members of the American Federation of State, County and Municipal Employees.

Japan's Steel Trade Declines

Agence France-Presse

TOKYO — Japan's steel exports and imports fell moderately in November, the national Iron and Steel Federation said Friday. Exports were 2.21 million metric tons on a shipment basis, down 13 percent from the year-earlier level, while imports were 267,000 metric tons, down 23.2 percent.

Euromarts At a Glance

Eurobond Yields

	Dec. 23	Dec. 17
U.S. & int'l inst., 8 yrs & over	8.04	8.03
public issuers, 8 yrs & over	8.24	8.24
industrials, 8 yrs & over	8.56	8.57
industrials, 5 to 7 yrs	8.03	8.05
Pounds sterling, 5 to 7 yrs	10.98	11.14
French francs, less than 5 yrs	9.15	8.95
ECU, 8 yrs & over	8.32	8.30
5 to 7 yrs	8.13	8.22
Can. $, 5 to 7 yrs	9.64	9.75
Aus. $, 5 to 7 yrs	13.96	14.02
N.Z. $, less than 5 yrs	15.73	15.88
Yen, 8 yrs & over	6.11	6.13
5 to 7 yrs	5.59	5.74

Source: Luxembourg Stock Exchange.

Weekly Sales

Dec. 24

Primary Market

	Cedel $	Cedel Nons	Euroclear $	Euroclear Nons
Straights	175.70	278.60	855.50	566.40
Convert.	9.40	—	0.60	—
FRNs	317.80	134.20	1,734.10	227.20
ECP	630.10	180.90	543.90	25.50
Total	1,142.00	513.70	3,134.10	819.10

Secondary Market

	Cedel $	Cedel Nons	Euroclear $	Euroclear Nons
Straights	9,419.30	3,520.70	9,928.10	4,732.20
Convert.	251.80	41.50	784.70	33.90
FRNs	1,799.70	861.70	8,268.60	1,280.68
ECP	1,752.00	126.60	2,101.30	17.50
Total	13,222.80	4,550.50	21,082.70	7,984.20

Source: Euroclear, Cedel.

Libor Rates

Dec. 23/24

	1-month	3-month	6-month
U.S. $	7½	6¾	6⅞
Deutsche mark	6⅛	5⅛	5 3/16
Pound sterling	11 3/16	11 5/16	11 5/16
French franc	9½	9⅝	9½
ECU	8⅛	8 9/16	8⅝
Yen	4⅜	4⅜	4 7/16

Source: Morgan Guaranty, Lloyds Bank, Reuters.
U.S. $ and Yen rates as of Dec. 24, all other rates Dec. 23

Treasury Bonds

Dec. 26

Maturity	Close Bid	Ask	Yield	Wk.-ago yield
31.10.88	99 29/32	99 31/32	6.28	6.28
15.8.89	99 26/32	99 28/32	6.43	6.43
30.9.90	100 1/32	100 3/32	6.61	6.62
15.15.91	99 21/32	99 23/32	6.70	6.69
15.10.93	100 21/32	101 1/32	6.94	6.95
15.5.96	101 8/32	101 10/32	7.07	7.10
15.2.06	117 28/32	118	7.59	7.66
15.5.16	101 28/32	102	7.34	7.36

Source: Salomon Inc.

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SELECTED U.S.A./O.T.C. QUOTATIONS

	BID	ASK
Bitter Corp.	3½	4
Chiron	19¼	19½
GoodMark Foods	10⅜	11⅛
MAG Holdings	4⅞	5⅜
Spectradyne	16½	16¼

WITH COMPLIMENTS OF CONTINENTAL AMERICAN

These are indicative prices as of Dec. 23, 1986

CENTRAL BANK OF LEBANON

Mr. M. BOULDOUKIAN, Vice Governor of the Central Bank of Lebanon extends his best wishes for 1987 to all his friends in central banks and commercial banks and thanks them for their collaboration and assistance during 1986.

BOEING: *Maintenance Is More Than Just a Routine*

(Continued from first finance page)

involves safety, hundreds of telexes go out, fast.

Not every service bulletin involves safety. Some offer tips, for example Boeing's recent discovery that by making certain modifications to the plane's engine, airlines could save 3 percent on fuel.

Three times a week about 20 of Mr. Forseth's workers assemble in what is known as the control room to talk over the most serious questions that come in and hold a conference call with an identical group of maintenance workers at Boeing's other manufacturing plant 45 miles (70 kilometers) to the south, where 737s and 757s are made. They also get reports from Boeing's accident-investigation unit, which is part of Customer Services.

Along one wall in the control room is a giant board used to list, among other engineering statistics, Customer Services's "Significant Technical Items," meaning the top 10 or so recurring problems.

Heading the list is "aft pressure bulkhead," a grim reminder that Boeing is carefully watching maintenance problems involving the rear cabin walls of the 747.

An aft pressure bulkhead collapsed and parts of the tail section fell off when a Japan Air Lines 747 crashed into a remote mountain 51 miles north of Tokyo on Aug. 12, 1985, killing 520 people. Although the specific cause of the accident is under investigation, much of the evidence points to collapse of the rear cabin walls under air pressure as the plane climbed after takeoff.

Mr. Forseth's engineers are not involved in the investigation of the accident, nor are they involved in any technical research regarding the design of the aft pressure bulkhead; they only handle maintenance. But because of the crash, all departments are closely watching any call concerning 747s' rear cabin walls.

Most of the work in Customer Services is more mundane, even tedious. A recent week saw a request for installation of a new nose landing gear, along with an inquiry about overheated wiring on a fuse. Another airline discovered bolts shearing off as a cargo door was closed.

"Ninety-nine percent of our work is routine," Mr. Forseth said.

Leroy A. Keith, who is in charge of aircraft certification for the Federal Aviation Administration's regional office in Seattle, said: "One reason they have such a remarkable sales record is they take very good care of their customers."

James Blue, a Boeing vice president who set up the customer-service department more than a decade ago, said the work done by Mr. Forseth's engineers is provided to the carriers as part of the purchase price of the jumbo jets; the current list price of a 747 is in the neighborhood of $60 million. When an airline wants to make modifications to the plane, it must pay for the parts.

The economics become less clear-cut when a problem arises that requires a design change. In dealing with big items, Boeing and the airlines enter the gray area of negotiating who pays the costs, or what share of the cost.

That ultimately may be the case with another "Significant Technical Item": the problem of cracks in fuselages. As the fleet ages, metal fatigue becomes a regular problem and tiny cracks begin to appear in an aircraft's skin and frame.

The reason for Boeing's extensive study of such cracks in its older 747s is that cracks have begun appearing earlier in the planes' lives than expected.

"It's like a person getting older," said Elizabeth Reese, a Boeing spokeswoman. "He goes to the doctor more often and his medical file gets thicker."

In 1983 Boeing began seeing cracks in the nose section of the 747. As more airlines reported cracks, Boeing collected repair and inspection information in order to issue a service bulletin.

By the fall of 1985, questions about the nose section heightened after cracks were found in the crashed Japan Air Lines plane and after cracks adjacent to each other were discovered in frames, or beams, under the aluminum skin of an old Pan American World Airways 747.

The case of the nose section has moved beyond Mr. Forseth's department and over to engineering, where the engineers are considering a number of options, including a redesign of the section. Mr. Forseth plays down his role in these larger cases, emphasizing that his engineers "only handle maintenance."

But as Boeing pieces together the statistics on the nose section, the files reveal that the first clue appeared in 1981: It came in the form of a routine maintenance call made to one of Mr. Forseth's engineers.

Last January the FAA issued an order, called an airworthiness directive, demanding that airlines inspect the skin of nose sections for cracks.

In November the FAA notified the airlines and Boeing that it plans to issue another airworthiness directive requiring more frequent inspections. The FAA estimates this will cost up to $12 million for all 747s in the United States.

Further Fall of Dollar Undesirable, Pöhl Says

Reuters

FRANKFURT — The president of the Bundesbank, Karl Otto Pöhl, said in an interview released Saturday that a further decline in the value of the dollar could harm West Germany's economy and increase pressure on European currencies.

"A further depreciation of the dollar could seriously restrict West German economic growth and aggravate tensions within the European Monetary System," Mr. Pöhl said in an interview with the newspaper Welt am Sonntag. The French franc has been under serious pressure against the Deutsche mark in recent days.

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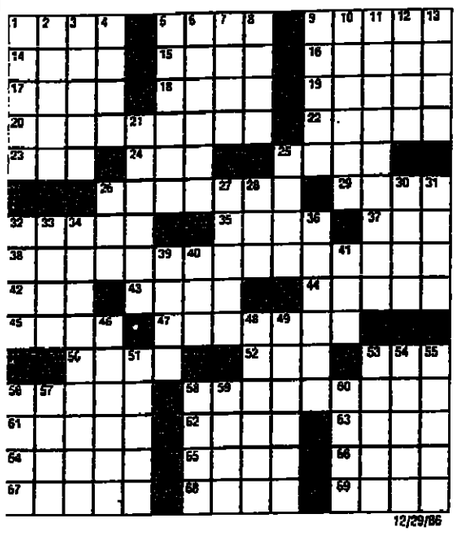
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12/29/86

ACROSS

1 Li'l Abner's creator
5 Cheek by —— (intimately)
9 D-J connection
14 Bread spread
15 Song for Sills
16 Senior member
17 Cicatrix
18 Kind of cherry
19 Flubbed
20 Hanukkah heroes
22 Pale
23 Lunch hour for some
24 "—— Little Indians"
25 Rope fiber
26 Canoer's chore
29 —— Shan, Asian mountain system
32 Menotti boy
35 Keep one's —— about one
37 Keats product
38 Hanukkah ceremonies
42 Adherent: Suffix
43 Type of airplane
44 Picardy sight
45 Omit
47 Mayo girl
50 Curse
52 Nice season
53 Meadow
56 Large: Comb. form
58 Duration of Hanukkah
61 Eighth son of Jacob
62 Monet's "La —— St.-Lazare"
63 Longfellow town
64 Trick
65 Ripener
66 Lose traction
67 Waste maker
68 Performs
69 Now's companion

DOWN

1 World: Comb. form
2 Northwestern highway
3 Sholom
4 Certain French meat
5 Chatter
6 "North to the ——": A. M. Lindbergh
7 Sherry or port
8 Barrel staves
9 Swelling
10 Black or Arden
11 Whirling movements
12 Shoe part
13 Composer Vincent d' ——
21 Coral rings
25 Letter after aleph
27 Prof.'s deg.
27 "Where there's ——..."
28 Light, open carriage
30 Hem
31 Loch of monstrous fame
32 Galatea's love
33 Falseface
34 Hanukkah villain
36 "—— Scene," Rice play
39 Emulate Rembrandt or Dürer
40 Old card game
41 Charged particle
46 Progenitor
48 Stowe villain
49 Anesthetics
51 Rich cake
53 Hanukkah pancake
54 An Icelandic monetary unit
55 Notwithstanding
56 Prepare potatoes, in a way
57 Predecessor of Benji and Boomer
58 Cousin of "Heck!"
59 Othello's deceiver
60 Hurry

© New York Times, edited by Eugene Maleska.

DENNIS THE MENACE



JUMBLE® THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

JEDDA

GNATY

COBORN

NAVIED



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: "○○○○○○○○○"

(Answers tomorrow)

Saturday's Jumbles: AGENT HOUSE FONULY TOFFEE
Answer: How the traffic cop's girlfriend caught him—FLAT-FOOTED

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	19	66	9	48	fr
Amsterdam	8	46	0	42	o
Athens	7	45	5	41	sw
Barcelona	14	57	4	39	fr
Belgrade	6	43	-2	28	fr
Berlin	3	37	1	34	r
Brussels	8	46	4	39	o
Bucharest	—	—	—	—	na
Budapest	1	34	-3	27	sw
Copenhagen	1	34	-2	28	sw
Costa Del Sol	18	64	8	46	fr
Dublin	12	54	6	43	r
Edinburgh	11	52	5	41	r
Florence	6	43	-5	23	cl
Frankfurt	5	41	1	34	o
Geneva	—	—	0	32	na
Helsinki	-9	16	-12	10	sw
Las Palmas	20	68	14	57	cl
Lisbon	12	54	9	48	fo
London	12	54	4	39	o
Madrid	8	46	-2	28	fr
Milan	11	52	-1	30	fr
Moscow	-14	7	-17	1	sw
Munich	3	37	0	32	sw
Nice	14	57	4	39	fr
Oslo	-1	30	-3	27	sw
Paris	8	46	5	41	o
Prague	4	39	-2	28	r
Reykjavik	0	32	-3	27	sw
Rome	13	55	-2	28	fr
Stockholm	-4	25	-5	23	sw
Strasbourg	6	43	2	36	o
Venice	2	36	-4	25	fr
Vienna	5	41	1	34	o
Warsaw	1	34	-2	28	sw
Zurich	4	39	0	32	sw
MIDDLE EAST					
Ankara	—	—	-5	23	sw
Beirut	—	—	—	—	na
Cairo	17	63	8	46	fr
Damascus	12	54	3	37	fr
Istanbul	3	37	-1	30	o
Jerusalem	13	55	4	39	cl
Tel Aviv	17	63	7	45	fr
OCEANIA					
Auckland	—	—	—	—	na
Sydney	26	79	18	64	o

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	33	91	24	75	cl
Beijing	-7	19	-12	10	sw
Hong Kong	20	68	13	55	fr
Manila	35	95	24	77	o
New Delhi	18	64	4	39	fr
Seoul	-1	30	-7	19	fr
Shanghai	5	41	0	32	fr
Singapore	27	81	24	75	o
Taipei	—	—	12	54	na
Tokyo	4	39	0	32	sn
AFRICA					
Algiers	15	59	7	45	r
Cape Town	—	—	18	64	na
Casablanca	16	61	5	41	fr
Harare	—	—	—	—	na
Lagos	31	88	26	79	cl
Nairobi	—	—	14	57	na
Tunis	15	59	8	46	cl
LATIN AMERICA					
Buenos Aires	27	81	13	55	cl
Caracas	25	77	16	61	cl
Lima	—	—	21	70	na
Mexico City	23	73	4	39	fr
Rio de Janeiro	26	79	—	—	na
NORTH AMERICA					
Anchorage	-4	25	-13	9	fr
Atlanta	12	54	7	34	fr
Boston	6	39	-4	25	fr
Chicago	5	41	-1	30	fr
Denver	4	39	-8	18	sn
Detroit	4	39	-2	28	sn
Honolulu	29	84	18	64	fr
Houston	16	61	6	43	fr
Los Angeles	22	72	8	46	fr
Miami	24	75	18	64	cl
Minneapolis	2	36	-5	23	sn
Montreal	-6	21	-12	10	sn
Nassau	29	84	18	64	sn
New York	5	41	0	32	sn
San Francisco	12	54	6	43	fr
Seattle	11	52	5	41	fr
Toronto	1	34	-1	30	sn
Washington	10	50	1	34	fr

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

MONDAY'S FORECAST — CHANNEL: Slightly choppy. FRANKFURT: Overcast. Temp. 8 — 2 (46 — 36). LONDON: Overcast. Temp. 10 — 7 (50 — 45). MADRID: Partly cloudy. Temp. 14 — 0 (61 — 32). NEW YORK: Partly cloudy. Temp. 5 — 0 (41 — 32). PARIS: Overcast. Temp. 10 — 5 (50 — 41). ROME: Na. TEL AVIV: Na. ZURICH: Rainy. Temp. 5 — 1 (41 — 30). BANGKOK: Fair. Temp. 32 — 23 (90 — 73). HONG KONG: Fair. Temp. 18 — 14 (64 — 57). MANILA: Cloudy. Temp. 33 — 23 (91 — 73). SEOUL: Mist. Temps. -3 — 8 (27 — 18). SINGAPORE: Showers. Temp. 29 — 25 (84 — 77). TOKYO: Snow. Temp. 3 — 1 (37 — 34).

SPORTS



Dick Hanbus/Reuters-United Press International

Defenseman Jarvis (seated, right) as a Washington defenseman in 1985.

Jarvis Sets NHL Mark, 915 Games

The Associated Press

HARTFORD, Connecticut — Center Doug Jarvis of the Hartford Whalers played his 915th consecutive game in the National Hockey League on Friday night, setting a league record.

Jarvis, 31, who has made a 12-year career of playing tight defense against the league's top scorers, surpassed the mark Garry Unger set with the Atlanta Flames in 1979-80.

"It's just been the last two weeks that I've become conscious of what I was approaching," Jarvis said. "I'd like to keep going, one game at a time."

In the four major league sports in North America, only Lou Gherig's record of 2,130 straight games in baseball is longer than Jarvis's mark.

"To say that Doug Jarvis is a consistent player would be an understatement," said former teammate Mike Gartner of the Washington Capitals. "I can't ever remember Doug having a bad practice, much less a bad game."

Jarvis began his career with Montreal in 1975-76. He helped win four straight Stanley Cups before he was traded to the Capitals in 1982. Although a knee injury kept him out of four playoff games with the Canadiens in 1979, that did not count against his regular-season streak.

He was traded to the Whalers last year and helped them gain the playoffs for the first time in six seasons. They are in first place in the Adams Division this season.

Solution to Friday's Puzzle

			S	A	P	I	D		C	L	I	N	E	
	S	E	R	E	N	A		L	E	N	O	R	E	
	P	R	E	T	T	Y	B	O	Y	F	L	O	Y	D
M	I	L	N	E		T	O	N	T	O		S	E	E
A	L	I	T		D	O	N	E	E		P	I	L	E
T	E	N		C	A	N	E	D		A	R	O	I	D
A	S	G	O	O	D	A	S		T	R	E	N	D	S
		S	A	D				U	K	E				
C	H	A	T	T	Y		S	P	L	I	N	T	E	R
R	A	N	I	S		T	W	A	I	N		A	X	E
A	N	D	A		C	H	I	R	P		A	N	I	S
I	D	O		N	O	R	M	A		D	E	A	L	T
G	O	R	G	E	O	U	S	G	E	O	R	G	E	
	F	R	A	N	K	S		O	L	D	I	E	S	
		A	B	E	E	T		N	A	D	E	R		

Ryan Passes Jets to 35-15 Rout of Chiefs

The Associated Press

EAST RUTHERFORD, New Jersey — Pat Ryan, thrust into starting the game in place of the beleaguered Ken O'Brien, passed for three touchdowns Sunday and Freeman McNeil scored twice as the New York Jets routed the Kansas City Chiefs, 35-15, in the American Conference wild-card game of the National Football League playoffs.

The Jets, who after posting the best record in the NFL fell to 10-6 by losing their last five games, will play in Cleveland next Saturday against the AFC Central Division champion Browns.

The Jets earned that right as Ryan, taking over at quarterback for the benched Ken O'Brien, awoke an offense that had scored only 61 points in the last five games. Ryan, a nine-year veteran who started in victories over New England and Denver while O'Brien was hurt, was 16-of-23 passing for 153 yards against the AFC's No. 2-ranked defense.

McNeil ended a 75-yard drive in the first quarter with a four-yard scoring run after Ryan had picked up a first down with a 24-yard dash on fourth-and-six. McNeil, who rushed for 135 yards, also caught a one-yard flare pass for a touchdown.

Ryan's third scoring pass was a six-yarder to wide open Billy Griggs off a triple tight-end formation early in the fourth period. It was Griggs's first catch in two years in the NFL.

The Chiefs took a 6-0 lead on Jeff Smith's one-yard run, but a bad snap made place kicker Nick Lowery miss the extra point, after having kicked 123 straight.

Their other touchdown came when Albert Lewis blocked Dave Jennings's punt from the New York 33 and the ball bounced all the way to the end zone, where Lewis picked it up. It was Lewis's fourth blocked punt this season, the Chiefs' 11th.

Jennings ran out of the end zone for a safety with 2:59 to play, giving the Chiefs their other two points.

Otherwise, the Jets' defense, which had allowed 183 points in the losing streak, patched its leaks and even produced its own touchdown. Linebacker Kevin McArthur intercepted Todd Blackledge on the first play of the second half and ran 21 yards for the score.

Kansas City followed with an impressive drive, but was thwarted on a fourth-and-one sweep by Boyce Green midway through the third quarter.

The Chiefs began well in their first postseason game since losing the longest NFL game in history, against Miami in 1971. After defensive end Art Still tipped two of Ryan's passes, forcing a punt, the Chiefs marched 67 yards on nine plays for the 6-0 lead.

Ryan then got the Jets' offense going. A 13-play drive covered 75 yards and lasted more than seven minutes, with the key play Ryan's quarterback draw at the Kansas City 33.

The play was added this week because Ryan is far more mobile than O'Brien. Ryan took one step back after getting the center snap, ran down the middle, cut to the right, broke two tackles and was taken down at the nine. Two runs by McNeil got the ball to the end zone.

The Chiefs' next play was a screen pass to Larry Moriarty that the fullback carried to midfield, where he was lifted into the air by Harry Hamilton's tackle. When Bob Crable hit Moriarty, the ball came loose and Kyle Clifton recovered for New York.

McNeil then rushed six times for 27 yards and caught two passes, the first for eight yards on third-and-six from the Chiefs' nine. The next, a flare pass, gave the Jets their second touchdown.

Clemson Nips Stanford in Gator Bowl

The Associated Press

JACKSONVILLE, Florida — Sophomore quarterback Rodney Williams ran and passed Clemson to a 27-0 halftime lead Saturday, then the Atlantic Coast Conference champion Tigers held off a second-half rally by Stanford to post a 27-21 victory in the Gator Bowl.

Stanford's final chance to win ended when quarterback Greg Ennis underthrew a receiver on fourth down with 1:24 left in the game.

"Our team should be very, very grateful to win," said Clemson's coach, Danny Ford.

Williams, who scored on a one-yard run on the opening play of the second quarter, directed the Clemson offense to 291 yards and 15 first downs in the first half. The Tigers finished their season at 8-2-2.

Brad Muster scored all three touchdowns for 20th-ranked Stanford, which finished at 8-4. The 226-pound (102.4-kilogram) junior tailback got the first on a one-yard run in the third period, and the others on 13- and 36-yard passes from Ennis in the final quarter.

Ennis was making his first collegiate start, in place of the injured John Paye, while starting linemen John Zentner and Tony Leiker did not play because they had tested positive for steroids in the recent NCAA drug testing.

■ Arizona Wins Aloha Bowl

Alfred Jenkins threw for 187 yards and a touchdown Saturday as 16th-ranked Arizona built a 30-0 lead, then held off North Carolina, 30-21, in the Aloha Bowl, The Associated Press reported from Honolulu.

It was the Wildcats' first bowl victory; they had been 0-4-1 in postseason games, dating back to 1921. The Pacific-10 Conference team finished the season at 9-3.

The Atlantic Coast Conference Tar Heels, who lost five fumbles, and had four turned into 20 points for Arizona, were shut out for most of the first three quarters. They roared back with a three-touchdown rally before finishing at 7-4-1.

The Wildcats held a 13-0 lead at the half on Gary Coston's field goals of 31 and 38 yards and David Adams's 1-yard touchdown run. They extended their advantage to 30-0 on Jeff Valder's 52-yard field goal, Jenkins' 13-yard scoring pass to Jon Horton, and Art Greathouse's five-yard touchdown run with 3:19 left in the third quarter.

The Tar Heels' regular tailback Derrick Fenner, the Atlantic Coast Conference's leading rusher this season, did not play because of academic problems.

Eric Starr, who had averaged 6.5 yards per carry this year as Fenner's backup, was held to 54 yards on 19 carries and lost two of the fumbles.

PEANUTS



BLONDIE



BEETLE BAILEY



ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



WORLD STOCKS IN REVIEW / *Via Agence France-Presse*

Hong Kong

Hong Kong stock prices gained more than 4 percent in value last week as unexpected preholiday buying pushed the market's leading indicator beyond the 2,500-point barrier for the first time.

The Hang Seng index finished the holiday-shortened two-and-a-half day trading week at 2,523.92, up 101.70 points from the previous Friday. The Hong Kong index climbed to 1,609.38, up 66.38 points.

Feverish buying pushed the Hang Seng up by almost 40 points to break through the 2,500-point mark Monday. Prices consolidated Tuesday but in the half-day session Wednesday prices were bid even higher.

Dealers said the activity defied the traditional market lull in the British colony at this time of the year. The colony's financial markets were closed for the Christmas holidays Thursday and Friday, although the gold and foreign exchange markets reopened for a half-day trading session Saturday.

"There's no particular booster," one broker remarked. "The sentiment was simply bullish." Trading is to resume Monday and dealers expect the market to become quieter after the recent surge.

Average daily turnover rose to 951 million Hong Kong dollars ($122 million) in the short week. That compared with an average $700 million in the previous full week.

Milan

Christmas holidays cut trading on the Milan stock exchange to two days last week. On Monday stocks rose 1.8 percent but they lost 0.5 percent Tuesday, ending the week with a 1.3-percent increase.

Analysts predicted that this week would see another moderate advance by the Milan index, with few wild fluctuations.

As during the previous week, trading was modest with just 47.8 million shares changing hands. Among the leading shares Fiat gained 4.41 percent on Monday, but then lost 0.71 percent on the second day.

In the insurance sector, trading in Ausonia was suspended after it gained 19 percent Monday, its second successive session of heavy trading. Despite general losses during trading Tuesday, Iniziativa MeTa, one of the Montedison group's finance companies, gained 3.13 percent.

Paris

French share prices turned in a mixed performance during the week, gaining ground in two sessions and falling back in two others.

The CAC index ended the four-day week at 407.1, against 410.9 the previous Friday. For the year as whole, however, French shares rose 60 percent. The week was marked by anxieties related to strikes that nearly paralyzed intercity rail travel and caused lengthy delays on the Paris Métro.

After a slight 0.15-percent gain on Monday, prices began to slide on Tuesday and Wednesday on the damage done by the strike to major Paris department stores and consumer credit societies ahead of Christmas.

Prices recovered on Friday, advancing nearly 0.3 percent, buoyed by an abundance of liquidity. One analyst said the Bourse remained sound, although he warned that a worsening in the labor situation could upset the market's current stability.

In another development, Saint Gobain, the glass and construction group privatized late last month, was quoted on Wednesday at 369 French francs ($57) per share, up 19 percent from the 310 francs at which the shares were sold. Saint Gobain is the first company to be sold to the public by the government of Prime Minister Jacques Chirac.

Singapore

Trading was quiet in the holiday-shortened week on the Singapore stock market and lacked direction as investors and speculators preferred to stay on the sidelines.

The only significant news that aroused some interest was that a coffee trader was in deep financial difficulties with debts amounting to between 100 million and 150 million Singapore dollars (between $45.7 million and $68.6 million.)

This caused some prices to ease, with banking stocks registering severe losses, but interest in Malaysian-based second-line stocks on Friday pushed some stock prices slightly higher.

The Straits Times industrial index lost 0.41 points to close at 901.20.

The most active counter for the third straight week was Sime Darby with a turnover of 3.3 million dollars. The share gained two cents to 1.92.

Another Malaysian counter, United Motor Works, was in second place with 3.2 million units followed by City Developments with 2.29 million units.

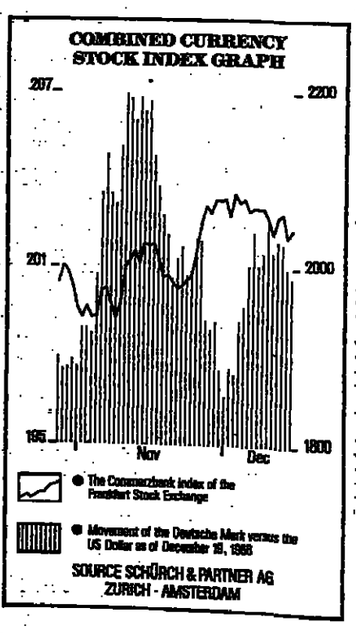
Tokyo

The Tokyo Stock market ended its trading year last week with the first weekly loss in nine weeks, dashing hopes of a new record on the Nikkei Stock average before year-end.

The market will be closed all next week for year-end and New Year's holidays. Analysts expected the Nikkei average to hit a new high early next year. They said low world interest rates would continue, prompting institutional investors to put excess funds in stocks.

The 225-blue chip Nikkei Stock average finished last week at 18,701.30 yen for a 228.73-yen week on loss. At the end of the previous week the average was only 6.21 yen lower than the high of 18,936.24 yen set Aug. 20.

Daily turnover averaged 535.8 million shares, up from 485.7 million last week. Daily average turnover value rose to 696.878 billion yen ($4.36 billion) from the previous week's 652.167 billion yen.



BUSINESS PROFILE
IN THE IHT EVERY SATURDAY.
INDIVIDUAL CASE HISTORIES OF SUCCESS AND FAILURE — WORLDWIDE

[illegible] الأصل

SPORTS

Cash Rallies, Carries Australia to Davis Cup Crown

The Associated Press

MELBOURNE — Pat Cash rallied from a two-set deficit Sunday to defeat Mikael Pernfors of Sweden, 2-6, 4-6, 6-3, 6-4, 6-3, and win the Davis Cup title for Australia.

It was the second time Australia had played Sweden in the final on the grass courts of Kooyong Stadium and the second time the Australians have won. They also beat Sweden in the cup final in 1983.

Cash and John Fitzgerald had defeated Anders Jarryd and Stefan Edberg, the world doubles champions, by 6-3, 6-4, 4-6, 6-1 on Saturday to give Australia a 2-1 lead in the best-of-five final.

In a meaningless match Sunday, cut to the best-of-three sets, Edberg beat Paul McNamee, 10-8, 6-4, to reduce Australia's winning margin to 3-2.

Sweden was bidding to become the first nation in 15 years to win the cup three straight years. It was Australia's 26th cup triumph, and its fourth victory under the captaincy of Neale Fraser. Only the United States, with 28 titles, has won more.

Australia has won six of the seven cup finals played at Kooyong, site of the Australian Open.

Cash, ranked 24th in the world, won all three of his matches in the final, beating the No. 4-ranked Edberg in the opening singles Friday and teaming with Fitzgerald in the pivotal doubles match.

Australia won without having a player ranked in the world's top 20, although Cash was rated in the top 10 until sidelined by injuries. All four members of the Swedish team were ranked higher than Cash, a powerful and athletic serve-and-volleyer who reached the semifinals at both Wimbledon and the U.S. Open in 1984.

Pernfors, who is ranked 11th, and was a two-time NCAA champion while attending the University of Georgia, stunned a sellout crowd of 11,000 on Sunday with his excellent play *in the first two sets.*

In only his sixth tournament match on grass, he out-dueled Cash time and again. But cheered on by the hometown crowd, Cash broke Pernfors's service in the fourth game of the third set and gradually turned the tide. The match took 3 hours, 27 minutes, and left both players drenched in sweat.

"That's the best comeback I've ever made," Cash said. "I gutsed out the match better than I've ever done before. He just played amazing tennis in the first two sets."

When it was over, Fraser raised Cash's hands high, like a victorious boxer, and Cash was swamped by his green-and-gold-clad teammates. Pernfors, in contrast, was a forlorn figure.

"I didn't lose because I played badly," he said. "I lost because he played better than I did. The first two sets were some of the best I've ever played, but I suffered a bit of a let-down and he played much better."

The chunky, spiky-haired Swede had dazzled both Cash and the partisan fans with sparkling tennis in the opening two sets. Sturdy and strong-willed, he returned serve superbly, defusing one of Cash's strengths. And when Cash came to the net, Pernfors, who reached the final of the French Open in June, unleashed relentlessly accurate passing shots.

Dictating the pace, Pernfors took the opening set in 30 minutes and the second in 54, although Cash gave a sign of things to come by rallying from an 0-4 deficit to 4-5 in the second set before succumbing.

Cash finally was able to get his powerful first serve in. And as his confidence grew, that of Pernfors evaporated.

One break in each of the third and fourth sets was enough to get Cash back on even terms.

His superb forehand passing shot and a backhand stop volley clinched the all-important service break in the fifth game of the final set. He then broke his opponent again in the final game, Pernfors netting a forehand under pressure.

The victory ended a remarkable year for Cash, who conquered a back injury and recovered from an appendectomy to improve his ranking from 418th to 24th.

"This is a fantastic feeling," he said. "In a way, this is my greatest moment in tennis. We have beaten the world."

Sweden's coach, Hans Olsson, *said he had thought his team would* retain the cup when Pernfors raced to a 2-0 lead.

"I knew Stefan could win the last match and I thought we were going to win when Pernfors started so well," he said. "We were very close to winning, but close is not enough."

Saturday's doubles loss was a blow to Sweden, since Edberg and Jarryd were coming off a victory in the Masters doubles championship on Dec. 14.

But Cash and Fitzgerald, who have been beaten only once as a team in Davis Cup play, were a far more impressive pair, combining better and relishing the bullfight atmosphere in front of a sellout crowd.

"There was no doubt the better team won," Fraser said. "I thought we were unlucky not to win in straight sets."

Edberg looked as if his singles loss to Cash had left him dispirited. The Australian Open singles champion did little right, while Jarryd's serve was always brittle.

The match lasted just 2 hours, 11 minutes.

The Australians raced through the first set in 24 minutes, dropping just four points in their five service games. One service break, against Jarryd in the fourth game, proved decisive.

The second set was much tighter, lasting 46 minutes. But again it was Jarryd who lost his serve, at love in the seventh game.

The Australians kept up the pressure in the third set and Edberg had to save three break points in the ninth game, but Fitzgerald dropped serve in the next game to allow the Swedes to take that set.

However, the regulation 10-minute break did them no good, and Cash and Fitzgerald returned to the court fired up. Edberg's double-fault gave the Australians their first break. Jarryd lost his serve again, then Edberg served two double-faults in the seventh game before losing his, with Fitzgerald hitting the winning point, a stunning backhand down the line.

Still, Cash said, it was harder to play for his country than himself.

"There is tremendous pressure out there," he said.

Olsson sympathized with Edberg, who had trouble with both his serve and backhand. "I felt sorry for him. He can play much better than that," Olsson said.



Reuters

Pat Cash: "That's the best comeback I've ever made."

Australia IV Takes the Lead in Defender Semifinals

Compiled by Our Staff From Dispatches

FREEMANTLE, Australia — Australia IV scored a 12-second victory over arch rival Kookaburra III here Sunday, taking over first place in the America's Cup defender semifinals. Kookaburra II held *third place* with a 41-second decision over Steak'n Kidney, at 3-29 now hopelessly out of contention for the two final slots.

Meanwhile, Stars & Stripes played the windshifts and came *from behind on the final stretch for* a 10-second challenger verdict over USA. In the other match in the best-of-seven series, pacesetting New Zealand left French Kiss 2:46 behind (Chris Dickson, clinching his twenty-fifth straight victory, skippered New Zealand to a 1:01 advantage rounding the first mark and was never threatened).

French Kiss, no match for New Zealand despite having chopped three feet off its stem, flew a red flag before the race to signal a protest against its foe's fiberglass construction.

The French syndicate, dubious about last week's resurvey, which certified New Zealand's legality, had asked to see the confidential results of hull tests on the boat. But after deliberating behind closed doors on Sunday, the protest committee rejected the latest gambit in the "glassgate" episode.

In the race that knocked Kookaburra III out of top spot among the potenital defenders, skipper Colin Beashel had to bring Australia IV up from behind.

Iain Murray outmaneuvered Beashel at the start for a two-second advantage that was expanded to nine seconds rounding the first mark.

Australia IV was within seven seconds on the seventh leg, and when Kookaburra III tangled its headsail rounding the final buoy, Beashel took over. A furious tacking duel ensued, but Australia IV held on to the finish — giving cup-holder Alan Bond's yacht the lead for the first time in the defender competition.

In the other challenger race, Tom Blackaller made two mistakes.

AMERICA'S CUP

The first was to wave good-bye to Dennis Conner and Stars & Stripes as Blackaller sailed USA into the lead on the first spinnaker run. At the end, it was Conner who was waving his arms in victory as his 12-meter overtook USA on the final lap.

Blackaller's second error was to hesitate momentarily in a tack on the last leg. That let Conner, who had a little more boat speed at the time, tack past to starboard.

"It was like missing a turn in a race car," said Blackaller. Conner was right on USA's stern when Blackaller started to tack — hoping to disturb the wind going into the sails of Stars & Stripes.

Blackaller said he hesitated briefly for fear of being hit by Stars & Stripes and risking disqualification. "I made a mistake," Blackaller said. And the wave? "I shouldn't have done that," he said. "The wind was streaky. It was a tactical race — you had to be in the *right place at the right time.*"

Blackaller was never more than five lengths ahead; his margins around the 24.5-mile course were 19, 15, 17, 15, 12 and 11 seconds as the buoys passed by. *(UPI, AP)*



Barry Sievers/The Associated Press

Australia IV beat Steak'n Kidney on Saturday (above) and Kookaburra III Sunday to become the leading potential cup defender.

Coghlan, Attacked by Dog, May Miss U.S. Indoor Tour

The Associated Press

DUBLIN — Eamonn Coghlan, the world 5,000-meter track champion, said Sunday he could miss the entire U.S. indoor tour after being attacked by a dog while on a training run.



Reuters-UPI

Eamonn Coghlan

The world record holder for the indoor mile, vacationing in his native Ireland, sustained a broken left hand and tissue damage to his calves and thighs after two youths set a dog on him.

Coghlan, who needed an operation on his hand late Saturday, said: "I won't know the extent of the damage for at least 24 hours. But there is severe tissue damage. If I miss 10 days' training it will mean an end to the U.S. indoor tour." Coghlan won the world 5,000-meter title in Helsinki in 1983 and is the only man to break 3 minutes 50 seconds for the indoor mile.

Coghlan, 33, said he was attacked by a black and white terrier when he asked two teenagers to stop shouting abusive language at a woman and her child who were waiting for a *bus Saturday evening.*

He said he challenged the two teen-agers, who were on bikes, by pretending to pick up speed as if to chase them. "Then they set the dog on me. While I was trying to ward off the animal, I broke my left hand. The dog took two chunks out of my calf muscle and refused to let go."

VANTAGE POINT / George Vecsey

A Few Postcards From 1986

New York Times Service

NEW YORK — Among the year's postcards:

Columbia, Mississippi, Jan. 21 — Biscuits and coffee in a truck stop before dawn, a drive through morning fog to the hometown of Walter Payton. After a pleasant visit with Payton's former coach, Charles Boston, and a sunny afternoon drive through the Delta to New Orleans, Stupor Bowl week will take care of itself.

Dallas, Feb. 8 — Spud Webb's relatives at Webb's Soul Market tell a visitor how proud they are that the tiny Atlanta Hawk has been invited to pro basketball's slam-dunk contest. To their amazement, the hometown hero will win the judging the next day.

Syracuse, New York, March 15 — The street-smart Cleveland State basketball players, fresh from ousting blustery Bobby Knight from the NCAA tournament, gape at 6-foot-11 (2.10-meter) David Robinson, in his immaculate Navy dress blues, as Robinson gives a five-syllable press conference.

Montreal, May 1 — The banners in the Forum tell the history of 22 past Stanley Cups. The goaltending of Patrick Roy ends the New York Rangers' streak over Philadelphia and Washington (amazing considering most Rangers' contempt for Coach Ted Sator) and Roy's performance predicts a 23d Stanley Cup, against Calgary.

Mexico City, May 31 — My New York ears underestimate the significance of the derisive whistling for Mexican President de la Madrid at the opening of the World Cup, until a Mexican colleague whispers, "We never ridicule our leaders this way." As the World Cup unfolds, I become more aware of growing cynicism and despair in a country I love.

Toluca, Mexico, June 1 — Raad Hammoudi, the goalkeeper for Iraq, arrives at an interview bearing presents for two journalists from New York and London. I think of this gracious man months later when we learn that covert U.S. operations have been supplying weapons to Iran.

Monterrey, Mexico, June 3 — The English hooligans were supposed to be a great threat to serenity, but innate Mexican friendliness and the threat of Mexican jails tame these sunburned, beer-numbed visitors.

Puebla, Mexico, June 5 — His team trailing because of a mysterious penalty, Diego Maradona flexes his powerful thighs and boots a goal to give Argentina a satisfactory tie against Italy, setting the tone for his championship performances in the next four weeks.

Moscow, July 4 — A Soviet official glances at my passport and says, "Happy birthday" — both mine and my country's. This greeting sets the tone for 19 days of being officially pampered because of the Goodwill Games, and being treated with impromptu good will by Muscovites everywhere.

Moscow, July 6 — We attend church on Sunday morning and find it is jammed with worshippers. But that small number is overwhelmed by the long lines outside Lenin's Tomb less than a mile away.

Moscow, July 8 — My wife tells a young English-language student that the Russian people have not been fully informed about Chernobyl. He uses his access to Western journals to discover, as he says drily, "you are right."

Moscow, July 11 — We meet an artist in a bookstore and invite him for coffee. He orders two bottles of champagne and becomes agitated when we ask him what he thinks of Gorbachev: "Terrible! He has shortened the hours of the liquor stores!"

Moscow, July 20 — Ted Turner has lost over $10 *million on the Goodwill Games, but he has made it* possible for more Americans to sample the diverse, human levels of the "evil empire" the U.S. administration has told us about. On the final night, the hard-working telephone operators bring in dried fish, a delicacy, and share it with Western journalists.

Cardiff, Wales, July 26 — Our friend Alastair takes us to a game of Welsh amateur baseball, a cross between cricket and the American game. A burly right-hander named John Smith throws an immediately recognizable brushback pitch.

London, Aug. 3 — What's wrong with this picture? Wembley Stadium, rain falling, English fans trudging to the game under brollies and macs. But who are these outsized brutes wearing helmets, whacking each other about? It's the Chicago Bears and the Dallas Cowboys, playing an exhibition game of U.S. football, the ultimate sign of the downfall of the empire.

New York, Sept. 7 — Jak se mate? Velmi dobre. Friends and relatives of Martina Navratilova greet each other in Czech on a day when four players born in Czechoslovakia play for the U.S. Open tennis titles, with Navratilova beating Helena Sukova and Ivan Lendl beating Miloslav Mecir.

Houston, Oct. 15 — Reporters on deadline head for *the postgame interview room three times only to rush* back after the Mets and the Astros prolong one of the most tantalizing baseball games ever played. The Mets finally win the pennant in 16 innings and we head downstairs to seek words of wisdom during an alcohol monsoon.

Boston, Oct. 23 — Fans rally in Kenmore Square, celebrating Bruce Hurst's victory putting the Red Sox ahead, three games to two, in the World Series. These poor souls haven't a clue about what's about to hit them.

New York, Oct. 25 — Inarticulate squawks emerge from throats all over Shea Stadium as Mookie Wilson levitates himself above a wild pitch as the tying run scores, and then hits a poltergeist grounder past Bill Buckner's gnarled pedal extremities to win Game 6.

New York, Oct. 27 — The Curse of Babe Ruth endures from 1918 as the Red Sox fail to hold another lead and the Mets win the series. I will always respect Calvin Schiraldi and Bob Stanley for being available *after this chain of horrors.*

New York, November and December — Gulf & Western keeps dropping coaches, the New York Giants get better and the Jets get worse, but I must admit I walk around in a daze thinking about Mookie's magic and Ray Knight's final heroics and Sid Fernandez in relief and Lee Mazzilli getting on base and so on *and so on. All these winter sports are merely the* parsley on the plate of life; the real nourishment will return in late February. In the meantime, Happy New Year.

SCOREBOARD

Basketball

National Basketball Association Standings

EASTERN CONFERENCE

Atlantic Division	W	L	Pct.	GB
Boston	18	9	.667	—
Philadelphia	15	13	.536	3½
Washington	13	14	.481	5
New York	8	21	.276	11
New Jersey	7	20	.259	11
Central Division				
Atlanta	20	6	.769	—
Milwaukee	19	9	.679	2
Detroit	16	9	.640	3½
Chicago	14	13	.519	6½
Indiana	13	15	.464	8
Cleveland	12	15	.444	8½

WESTERN CONFERENCE

Midwest Division	W	L	Pct.	GB
Dallas	19	9	.679	—
Utah	18	9	.667	½
Denver	13	16	.448	6½
Houston	10	17	.370	8½
Sacramento	8	19	.296	10½
San Antonio	7	21	.250	12
Pacific Division				
L.A. Lakers	21	6	.778	—
Portland	17	12	.586	5
Seattle	15	11	.577	5½
Golden State	16	13	.552	6
Phoenix	13	16	.448	9
L.A. Clippers	4	23	.146	17

FRIDAY'S RESULTS

Golden State 31 26 23 26—106
Detroit 28 38 27 28—121
Dantley 9-17 8-11 26, Green 8-14 4-4 20, Dumars 10-18 0-2 20, Thomas 7-15 6-8 20; Carroll 8-21 2-2 18, Floyd 7-15 4-4 18, Whitehead L. Smith 6-11 0-2 12, Ballard 6-14 0-0 12. Rebounds: Golden State 37 (L. Smith 13); Detroit 50 (Green 18). Assists: Golden State 23 (Floyd 9); Detroit 30 (Thomas 15).

New Jersey 30 25 25 32—112
Cleveland 36 31 27 27—121
Harper 9-17 7-8 25, Bagley 7-13 5-5 21; Gminski 11-23 2-6 24, Brown 7-16 4-6 18. Rebounds: New Jersey 50 (Gminski 16); Cleveland 64 (Hubbard 11). Assists: New Jersey 22 (Wood 8); Cleveland 25 (Harper 7).

Dallas 25 36 37 25—123
Denver 30 29 29 33—121
Aguirre 12-26 7-10 32, Harper 10-15 3-3 26; English 15-26 6-6 36, Schayes 9-13 7-8 25. Rebounds: Dallas 47 (Donaldson 16); Denver 66 (Cooper 15). Assists: Dallas 17 (Harper, Schrempf 4); Denver 32 (Lever 11).

Boston 40 28 29 25—122
Phoenix 30 27 26 29—112
McHale 15-18 2-2 32, Bird 9-20 5-5 26; Pinckney 5-9 9-12 19, Davis 9-13 0-0 18, Sanders 9-15 0-0 18. Rebounds: Boston 53 (McHale 15); Phoenix 47 (Gattison 10). Assists: Boston 38 (Ainge 8); Phoenix 29 (Humphries 8).

Houston 21 30 31 29—111
L.A. Lakers 38 30 22 44—134
Johnson 11-20 8-9 30, Worthy 9-17 4-4 22; McCray 11-16 0-1 22, Olajuwon 8-19 6-10 22, Lloyd 8-15 2-2 18. Rebounds: Houston 48 (McCray 10); L.A. Lakers 42 (Rambis 6). Assists: Houston 32 (Minniefield 9); L.A. Lakers 37 (Johnson 15).

L.A. Clippers 27 29 36 15—107
Seattle 29 22 28 34—113
Chambers 11-15 5-6 27, Ellis 8-18 7-8 24; Maxwell 9-15 6-7 24, Benjamin 8-12 5-7 21. Rebounds: L.A. Clippers 48 (Cage 15); Seattle 56 (Lister 17). Assists: L.A. Clippers 18 (Valentine 6); Seattle 23 (Ellis 5).

SATURDAY'S RESULTS

Philadelphia 27 22 26 24—99
Sacramento 22 29 23 21—95
Robinson 10-16 3-4 23, Erving 8-14 3-5 19; Thorpe 10-15 6-8 26, Johnson 7-15 1-4 15. Rebounds: Philadelphia 51 (Barkley 14); Sacramento 46 (Thorpe 13). Assists: Philadelphia 14 (Cheeks 7); Sacramento 23 (Wilson, Theus 8).

Houston 30 29 28 17—96
Utah 27 26 25 25—103
Bailey 11-20 1-4 23, Benson 7-11 3-4 17, Hansen 7-15 2-2 17; Lloyd 11-19 4-5 26, Olajuwon 6-17 5-7 17. Rebounds: Houston 59 (Olajuwon 13); Utah 70 (Eaton 12). Assists: Houston 19 (McCray, Minniefield, Reid 4); Utah 28 (Stockton 10).

Denver 28 24 25 31—108
San Antonio 27 25 27 27—106
English 15-27 5-5 35, Schayes 4-6 9-10 17; Gilmore 9-11 6-8 24, Greenwood 8-14 5-5 21. Rebounds: Denver 43 (Cooper 11); San Antonio 62 (Greenwood 18). Assists: Denver 30 (Lever 11); San Antonio 21 (Corbin 5).

Indiana 30 17 23 22—92
Chicago 29 28 32 25—105
Jordan 20-29 4-4 44, Cureton 8-12 2-5 18; Person 8-20 7-10 23, Stipanovich 8-15 6-6 22. Rebounds: Indiana 47 (Person 12); Chicago 59 (Oakley 13). Assists: Indiana 22 (Fleming, Richardson 5); Chicago 35 (Oakley 15).

Phoenix 25 20 34 18—97
Dallas 34 25 33 31—123
Blackman 10-18 8-8 28, Aguirre 10-15 4-6 24; Pinckney 5-12 3-6 13, Sanders 6-12 1-2 13, W. Davis 6-17 0-0 12. Rebounds: Phoenix 44 (Bedford 8); Dallas 50 (Donaldson 11). Assists: Phoenix 34 (Humphries 10); Dallas 29 (Harper 10).

Milwaukee 26 24 27 23—100
New York 24 26 34 30—114
Cartwright 5-13 16-16 26, Wilkins 9-14 5-6 23; T.Cummings 7-13 3-4 17, Pressey 6-13 3-4 16, Pierce 6-16 4-6 16. Rebounds: Milwaukee 30 (Sikma 13); New York 45 (Cartwright 10). Assists: Milwaukee 19 (Pressey 7); New York 28 (Henderson 10).

Golden State 28 28 28 24—108
Atlanta 27 30 37 25—119
Rivers 5-17 11-16 21, Wilkins 6-16 4-7 16, Willis 8-14 0-0 16; Floyd 8-19 8-8 24, Ballard 9-16 0-0 20. Rebounds: Golden State 40 (L. Smith 14); Atlanta 55 (Willis 13). Assists: Golden State 28 (Floyd 12); Atlanta 33 (Rivers 15).

Detroit 27 25 23 30—107
Washington 36 17 26 26—105
Dantley 9-19 9-9 27, Thomas 10-25 6-9 26; M. Malone 12-16 8-10 32, J. Malone 12-26 1-2 25. Rebounds: Detroit 47 (Laimbeer 15). Washington 49 (M. Malone 12). Assists: Detroit 14 (Thomas 6); Washington 30 (J. Malone 10).

Cleveland 32 21 22 36—111
New Jersey 29 34 32 25—120
Bailey 14-19 7-8 35, Woolridge 7-14 10-11 24; Harper 11-21 3-5 25, Bagley 7-19 7-7 23. Rebounds: Cleveland 43 (Hubbard 9); New Jersey 49 (Bailey, B. Williams 10) Assists: Cleveland 15 (Bagley 5); New Jersey 24 (Washington, Brown, Woolridge 5).

Boston 29 28 24 33—114
L.A. Clippers 28 27 21 25—101
Bird 11-24 3-4 27, McHale 13-18 0-0 26; Cage 9-17 3-4 21, Fields 5-11 6-6 16. Rebounds: Boston 41 (McHale, Parish 12 each); L.A. Clippers 37 (Cage 10). Assists: Boston 39 (Bird, Johnson 8); L.A. Clippers 29 (Fields 6).

U.S. College Results

SATURDAY'S RESULTS

EAST

Chicago 73, Carnegie-Mellon 67
Duquesne 94, Iona 71
Maryland 74, Winthrop 58
NYU 96, Hobart 70
Penn St. 84, Lock Haven 70
Providence 113, Maine 87
Wagner 81, Medgar Evers 41
West Virginia 69, Marshall 67

SOUTH

Florida Intl. 74, Holy Cross 72
Georgia 108, Columbus 75
Kentucky 85, Louisville 51
Memphis St. 108, Alcorn St. 56
N.C.-Wilmington 66, Niagara 64
Southern Cal 81, Tennessee 76, OT
So. Mississippi 92, Ill. Wesleyan 90
Tampa 67, N. Carolina St. 62

MIDWEST

Bowling Green 75, Davidson 71
Butler 95, Indiana St. 92, 4OT
Dayton 69, Xavier (Ohio) 65
Detroit 73, E. Michigan 63
Loyola, Ill. 83, Illinois 82
Minnesota 92, Tennessee Tech 69
Nebraska 89, Mo.-St. Louis 63
North Carolina 81, Kansas St. 62
North Dakota 77, N. Colorado 64

FAR WEST

Colorado St. 81, Toledo 62
Hawaii-Hilo 66, Oklahoma Christian 52
San Diego 87, Loyola (Md.) 60
Seattle Pacific 92, Pacific Lutheran 82
Stanford 83, W. Washington 61
UCLA 67, Long Beach St. 65
Utah St. 81, Utah 75

TOURNAMENTS

All-College
First Round
Oklahoma 106, Creighton 89
Texas Christian 92, Oklahoma St. 61
Championship: TCU 95, Oklahoma 82
Third Place: Oklahoma St. 84, Creighton 69

Cowboy Shootout
First Round
Lamar 81, W. Michigan 80, OT
Wyoming 83, N. Illinois 78

Chaminade Classic
Championship: W. Ky. 71, Chaminade 70
Third Place: Hastings 89, Hawaii Pacific 84

ECAC Holiday Festival
First Round
Georgia Tech 79, Rutgers 61
St. John's 64, Virginia 58

Far West Classic
First Round
Oregon 78, SW Louisiana 73
San Jose St. 62, Mississippi St. 57
Oregon St. 79, Idaho 58
Louisiana Tech 88, Washington 87

Fiesta Bowl Classic
First Round
Texas Tech 71, N.C. Charlotte 70
Arizona 70, St. Bonaventure 64

Holiday Bowl Classic
First Round
San Diego St. 77, Manhattan 69
Mississippi 76, Arizona St. 63

Holiday Classic
First Round
Hawaii Loa 75, Fresno Pacific 63
Syracuse 83, Wichita St. 69
Championship: Syracuse 107, Hawaii Loa 89
Third Place: Wichita St. 65, Fresno Pacific 54

Hoosier Classic
First Round
Illinois St. 60, Fresno St. 44
Indiana 83, Princeton 54
Championship: Indiana 82, Illinois St. 58
Third Place: Princeton 71, Fresno St. 57

Lobo Invitational
First Round
Drake 62, Miami, Ohio 44
New Mexico 84, Brown 68
Championship: Drake 59, New Mexico 52
Third Place: Miami, Ohio 95, Brown 80

Milwaukee Classic
First Round
Marquette 79, Columbia 66, 2OT
South Florida 69, Pepperdine 65
Championship: Marquette 77, So. Florida 61
Third Place: Pepperdine 91, Columbia 67

Philadelphia Classic
First Round
Bradley 110, Northeastern 105
St. Joseph's 77, La Salle 70
Championship: St. Joseph's 86, Bradley 77
Third Place: La Salle 102, Northeastern 85

Rainbow Classic
First Round
California 83, Florida 80
Wisconsin 82, Hawaii 77

Siena Invitational
First Round
Siena 80, Cent. Connecticut St. 60
St. Peter's 63, Lafayette 61

UNLV Classic
First Round
Navy 78, Idaho State 56
Nev.-Las Vegas 103, Old Dominion 83

European Soccer

ENGLISH FIRST DIVISION

Arsenal 1, Southampton 0
Chelsea 4, Aston Villa 1
Coventry 4, Tottenham 3
Manchester United 0, Norwich 1
Oxford 0, Queens Park 1
Sheffield Wednesday 0, Liverpool 1
Watford 1, Newcastle 0
West Ham 2, Wimbledon 3
Charlton 5, Manchester City 0
Everton 5, Leicester 1
Nottingham Forest 2, Luton 2

Points standings: Arsenal 45; Everton 41; Liverpool 38; Norwich, Nottingham Forest 37; Tottenham 35; Coventry 33; Watford, Sheffield Wednesday, Wimbledon, Luton 31; West Ham 31; Queens Park 27; Oxford 26; Manchester United 25; Southampton 24; Charlton, Aston Villa 23; Manchester City, Chelsea 22; Leicester, Newcastle 21.

SPANISH FIRST DIVISION

Sevilla 1, Real Sociedad 1
Mallorca 3, Santander 1
Cadiz 0, Barcelona 1
Sabadell 3, Osasuna 1
Athletic Bilbao 0, Betis 0
Valladolid 1, Zaragoza 1
Real Madrid 2, Gijon 2
Español 3, Las Palmas 1
Murcia 2, Atletico Madrid 1

Points standings: Barcelona 30; Real Madrid 28; Español 26; Athletic Bilbao 24; Mallorca, Gijon 22; Atletico Madrid, Betis 21; Sevilla, Valladolid 20; Real Sociedad 19; Zaragoza, Cadiz 17; Murcia 16; Las Palmas 15; Santander, Osasuna, Sabadell 14.

Hockey

NHL Standings

WALES CONFERENCE

Patrick Division	W	L	T	Pts	GF	GA
Philadelphia	25	9	2	52	157	96
N.Y. Islanders	19	14	3	41	137	124
Pittsburgh	15	14	7	37	134	126
New Jersey	16	17	3	35	138	163
N.Y. Rangers	13	17	6	32	145	150
Washington	12	17	6	30	106	134
Adams Division						
Hartford	18	10	6	42	113	106
Montreal	18	14	6	42	122	118
Boston	16	15	4	36	118	111
Quebec	15	16	6	36	128	115
Buffalo	8	22	5	21	109	137

CAMPBELL CONFERENCE

Norris Division	W	L	T	Pts	GF	GA
Minnesota	15	16	3	33	137	134
Detroit	13	15	7	33	111	122
Toronto	14	16	5	33	121	128
St. Louis	13	16	6	32	119	135
Chicago	12	18	6	30	129	152
Smythe Division						
Edmonton	22	12	2	46	162	127
Calgary	20	14	1	41	137	129
Winnipeg	16	15	4	36	117	121
Los Angeles	16	18	3	35	155	158
Vancouver	11	22	3	25	122	142

FRIDAY'S RESULTS

Montreal 0 0 1 0—1
Hartford 0 1 0 0—1
Dahlin (5); Evason (8). Shots on goal: Montreal (on Liut) 6-11-6-0—23; Hartford (on Hayward) 7-6-11-2—26.

Toronto 0 1 1—2
Detroit 3 1 0—4
Burr (12), Yzerman (12), Higgins (5), O'Connell (1); Yaremchuk (3), Lanz (3). Shots on goal: Toronto (on Stefan) 9-7-7—23; Detroit (on Wregget, Bester) 13-8-7—28.

N.Y. Rangers 4 1 2—7
New Jersey 0 3 1—4
Kisio 3 (10), Sandstrom (9), Miller (6), Osborne (15), Maloney (6); MacLean 2 (18), Muller (15), Adams (11). Shots on goal: N.Y. Rangers (on McLean, Chevrier) 17-4-7—28; New Jersey (on Vanbiesbrouck) 16-15-15—46.

Pittsburgh 1 2 0 0—3
Buffalo 0 2 1 0—3
Simpson (13), Quinn (11), Ruskowski (9); Foligno (10), Lacombe (4), Andreychuk (9). Shots on goal: Pittsburgh (on Cloutier) 13-4-7-1—25; Buffalo (on Meloche) 10-19-12-4—45.

N.Y. Islanders 0 1 0—1
Washington 1 1 0—2
Franceschetti (8), Christian (9); Trottier (11). Shots on goal: N.Y. Islanders (on Mason) 4-11-15—30; Washington (on Hrudey) 8-8-8—24.

Winnipeg 1 0 1—2
Minnesota 1 0 3—4
Broten (5), Hartsburg (8), Graham (16), Ciccarelli (31); Neufeld (7), Kyte (4). Shots on goal: Winnipeg (on Beaupre) 12-9-9—30; Minnesota (on Reddick) 9-3-12—24.

St. Louis 1 3 2—6
Chicago 2 4 2—8
Olczyk (5), B. Murray (3), Nylund (5), Watson 2 (5), Savard 2 (18), Ludzik (4); Cavallini (6), Meagher 3 (11), Benning (5), Hunter (16). Shots on goal: St. Louis (on Sauve) 12-12-16—40; Chicago (on Wamsley) 19-14-11—44.

SATURDAY'S RESULTS

N.Y. Islanders 0 3 0 0—3
Pittsburgh 1 0 2 0—3
Bossy (23), D. Sutter (6), Morrow (1); Hillier (1), Lindstrom (5), Quinn (12). Shots on goal: N.Y. Islanders (on Romano) 6-12-9-2—29; Pittsburgh (on Hrudey) 15-8-14-2—39.

Philadelphia 1 0 1—2
Vancouver 2 1 1—4
Skriko (19), Pederson (12), Benning (11), Smyl (11); Zezel (16), Kerr (31). Shots on goal: Philadelphia (on Brodeur) 11-5-7—23; Vancouver (on Hextall) 7-9-5—21.

New Jersey 0 0 2 0—2
Quebec 0 1 1 0—2
Broten (11), Johnson (8); Ashton (21), Goulet (20). Shots on goal: New Jersey (on Malarchuk) 7-16-5-3-31; Quebec (on Chevrier) 12-13-13-2—40.

N.Y. Rangers 0 1 1—2
St. Louis 1 0 2—3
Hunter (17), Bell (2), Benning (6); Paslawski (18), Patrick (4). Shots on goal: N.Y. Rangers (on Millen) 7-6-5—18; St. Louis (on Froese) 8-11-11—30.

Boston 0 0 1 0—1
Los Angeles 1 0 0 1—2
McKenna (8), Lukowich (11); Nealy (12). Shots on goal: Boston (on Melanson) 6-11-9-1—27; Los Angeles (on Ranford) 9-12-5-5—31.

Hartford 1 0 1—2
Montreal 3 1 2—6
Naslund (12), Richer (14), Lemieux 2 (10), Gainey (2), Dahlin (6); Anderson 2 (12). Shots on goal: Hartford (on Roy) 8-5-5—18; Montreal (on Weeks) 9-9-13—31.

Detroit 0 2 3 0—5
Toronto 1 2 2 0—5
Ogrodnick (10), Veitch (7), Gallant 2 (15), Ladouceur (2); Volve (9), Damphousse (10), Leeman (10), Jackson (3), Thomas (14). Shots on goal: Detroit (on Bester) 11-10-9-1—31; Toronto (on Stefan) 5-14-13-0—32.

America's Cup

(At Fremantle, Australia)
CHALLENGER ELIMINATION
(Semifinals: Best of Seven)

Yacht	W	L
New Zealand	1	0
French Kiss	0	1
Stars & Stripes	1	0
USA	0	1

Sunday's Results
Stars & Stripes def. USA, 0:10
New Zealand def. French Kiss, 2:46

DEFENDER ELIMINATION
(Semifinals: Six Points)

Yacht	W	L	Pts
Australia IV	24	8	59
Kookaburra III	26	6	53
Kookaburra II	19	13	46
Steak'n Kidney	3	29	12

Saturday's Results
Kookaburra II def. Kookaburra III, 0:12.
Australia IV def. Steak'n Kidney, 0:19.

Sunday's Results
Australia IV def. Kookaburra III 0:12
Kookaburra II def. Steak'n Kidney 0:41

Monday's Races
Australia IV vs. Kookaburra II
Steak'n Kidney vs. Kookaburra III

Monday's forecast: Southwesterly winds 15-18 knots; slight seas.

Transition

BASKETBALL
National Basketball Association

ATLANTA—Signed Mike Wilson, guard, to a 10-day contract.

CHICAGO—Announced that Brad Sellers, forward, has been suspended four games for disciplinary reasons.

MILWAUKEE—Signed Chris Engler, center, to a 10-day contract.

PORTLAND—Signed Lewis Brown, forward, to a 10-day contract.

HOCKEY
National Hockey League

BUFFALO—Sent Paul Brydges, forward, to Rochester of the American Hockey League.

COLLEGE

NORTH DAKOTA—Earle Solomonson, football coach, resigned to accept the same position at Montana State.

MAINE—Announced the appointment of Tim Murphy, football coach.

PURDUE—Named Bill Michael assistant football coach and defensive line coach; Bob Stanley offensive coordinator and offensive line coach; Scott Walker recruiting coordinator and tight end coach; Tammy Reaux defensive end coach; Dan Lounsbury running back coach; Phil Bennett defensive coordinator and linebackers coach; Jim Elam defensive backs coach; Mike Sanford game coordinator and quarterback coach, and Craig Raye tight ends and wide receiver coach.

SAMFORD—Announced the resignation of Kim Alsop, football coach.

SOUTH CAROLINA—Named Joe Lee Dunn assistant football coach and defensive coordinator.

UNIVERSITY OF THE SOUTH—Named William Samko football coach.

VIRGINIA TECH—Named Frank Beamer football coach.

WASHINGTON STATE—Announced that Steve Morton, assistant football coach, has resigned in order to join the coaching staff at Iowa State.

WESTERN MICHIGAN—Named Al Molde football coach.

POSTCARD

Wanted: Island Dwellers

New York Times Service

FRENCHBORO, Maine — Dan Blaszczuk has spent the better part of the past year trying to dispel the notion that life on an island off the coast of Maine is idyllic.

It's not that he thinks living in Frenchboro on Outer Long Island, seven and a half miles (about 12 miles) from the mainland, is anything less than glorious. It's just that he wants people to be realistic, for Blaszczuk is looking for permanent residents, not tourists.

The population of this fishing village has been dwindling since 1910, when 197 people lived here. The two World Wars showed soldiers there was more to life than fishing for lobster, and many chose to live elsewhere.

Now deer outnumber permanent residents. At last count, there were 51 residents, as well as 50 who come and go during the summer. And more than half the population is older than 60.

Most of the residents can trace their roots to Israel Lunt, who bought half of the island from a land speculator in the early 1800s. "They've lived here," said Blaszczuk, who came to the island six years ago from Stamford, Connecticut. "They're proud of the place. Living here is different than living in New York City. If you move here, your commitment is a little more than just a resident. You're part of a community. If you're a summer colony, you lose your identity. You lose your history."

The residents persuaded Margaret Dulany, the daughter of David Rockefeller, to give them 43 acres (17 hectares) of the 1,000 undeveloped acres she owns here. A private corporation was set up to run the program, and a federal grant was secured to pay for roads, septic tanks and wells for ten 1½-acre lots.

Those interested in applying for the program must complete a 10-page application that Blaszczuk describes as similar to a Federal Housing Administration loan application. They also must answer three essay questions dealing with why they want to move to Frenchboro, how they will support themselves, and what skills and abilities they will bring to the island.

The plan was delayed until the federal financing was obtained this year, but the islanders are hoping to have at least three new families settled in by next fall. They hope to add new families each year until 1991.

Blaszczuk is quick to point out the negatives of island life. Frenchboro is indisputably isolated. A ferry comes twice weekly, stopping for only 20 minutes. Even the smallest chores, like grocery shopping, are two-day affairs, with residents spending the night in a motel on the mainland.

There are no stores, save a summer convenience store, no inns, hotels, movie theaters or restaurants. In summer, church services are held weekly at the Frenchboro Congregational Church, but for the rest of the year, services are held once a month when the Sunbeam, a boat operated by the Maine Seacoast Missionary Society, brings a minister to town.

There are no doctors, although there is a town ambulance. The only emergency transportation to the mainland is a lobster boat. All but two residents are lobstermen.

Children go to school in a two-room schoolhouse that also houses the town records. High school students must go to the mainland, boarding with families there during the week.

A daily newspaper from the mainland comes by mail, and telephone service, available to the mainland only since 1982, is by microwave. Electricity from the mainland has been in place since the late 1950s.

SHORTCOMINGS aside, Frenchboro remains a scenic wonder. Steep fir- and spruce-laden hills slope down to a horseshoe-shaped harbor. Wooden docks jut out into the water and are almost obscured by the piles of lobster traps. In early morning and late afternoon and in foul weather, lobster boats are parked alongside.

And there is virtually no crime. The last incident occurred about three years ago when some visitors took a summer resident's car for a joyride around the island. Eight years ago, a woman's coat was stolen.

Lunt said he does not foresee major changes in island life with the arrival of the new residents. He says there is plenty of "bottom" in the ocean for more fishermen. And 10 new families might even mean a year-round store.

Son of 'Native Son,' the Film

By Aljean Harmetz
New York Times Service

LOS ANGELES — How do you make a movie out of "Native Son"?

Richard Wright's book, published in 1940, is still assigned in hundreds of high school and college classes. It has now been made into a film, which has just opened in New York, Los Angeles and Chicago. The first commercially successful novel in which a black writer confronted white America with his anger, "Native Son" has long been considered of great sociological as well as literary importance. But critics, both black and white, also acknowledge that from today's perspective the book has serious flaws.

Many scholars consider the book crude and melodramatic. "It's awkward and ungainly and unpolished, but if you don't know 'Native Son' you can't understand Afro-American literature in this country," said Richard Yarborough, an associate professor of English at the University of California at Los Angeles.

"I don't know much black discourse that goes on without reference to 'Native Son,' said Arnold Rampersad, a professor of English at Rutgers whose biography of Langston Hughes was recently nominated for an American Book Award. "The depth of America's involvement in race and racism hadn't been addressed before from the viewpoint of the victim."

Others contend that the novel by Wright, who died in 1960, is weakened because an accidental killing — as opposed to an action arising from character — sets the plot in motion.

Valerie Smith, an associate professor of literature at Princeton, and many other feminist critics feel that Wright denigrated black women. "In everything Richard Wright wrote, he had a lot of problems dealing with black women," Smith said.

Although Diane Silver, who spent nearly three years trying to produce a movie version of "Native Son" before she raised the necessary $2.4 million, brushes aside such criticism, she made significant changes in the story and fought bitterly with her director over one major cut.

"Native Son" tells the story of Bigger Thomas, a 19-year-old black man who accidentally kills the daughter of his white employers, then deliberately bashes in the head of Bessie, the young black woman who loves him. The film, written by Richard Wesley, stars a previously unknown actor, Victor Love, as Bigger Thomas, Oprah Winfrey as his mother, Elizabeth McGovern as the rich young white woman he kills, Matt Dillon as her Communist boyfriend, Carroll Baker as her mother and Geraldine Page as her family's housekeeper.

The murder of Bessie is nowhere to be seen in the final version of Silver's film, and the character, played by Akosua Busia, has been almost completely trimmed out. Jerrold Freedman, who directed the movie, says that, by deleting Bessie's murder, Silver has tampered with Wright's intended statement.

"The scene is pivotal in the novel because it underscores the disintegration of Bigger Thomas, a victim of racism and segregation in Chicago of the 1930s who in turn becomes a victimizer," he said.

Freedman suggested that the producer was "concerned with the audience losing sympathy" with Bigger Thomas and thus altered the movie to make it more commercial.

Silver defended her changes. "The angst that worked in the book was impossible to put on the screen. The book and this movie are about Bigger's realization that the depths of his fear are a reflection of his humanity."

Yarborough, who specializes in both black literature and the modern American novel, said: "The book is morally complex. You can forgive Bigger for the accidental killing but not for the killing of Bessie. The movie keeps the moral very simple. Bigger is much more a sympathetic victim in the movie than he is in the book. Wright didn't want him to be sympathetic, so he made him very brutal. Wright didn't want tears. He felt that pity would be an evasion."

Lindsay Law, producer of the public television series "American Playhouse," which helped finance the movie along with Cinecon and the video distributor Vestron, stands with Silver.

"The book had more layers than you could explore in a two-hour film," Law said. "Once the terrible accident has taken place, Bigger has this giddying sense of control over his life for the first time, and his freedom causes him to kill Bessie. Even when we were reading the screenplay, we asked ourselves many times, 'Why is an audience going to want to attempt to understand this man if he goes this step further?'"

"Native Son" was made into a movie once before. A French director, Pierre Chenal, shot the 1949 film in Chicago and Buenos Aires, with Richard Wright, then 40 years old, playing Bigger Thomas.

According to "The Unfinished Quest of Richard Wright," a biography by Michel Fabre, Wright had received Hollywood offers, including one from MGM, to make a film on the book, but the studios wanted to make the characters white.

During the casting of the 1949 version, Fabre writes, numerous actresses turned down the role of Mary because it required physical contact with a black man. The Chenal movie, criticized as amateurish and melodramatic, was cut by about half an hour by the New York Board of Censors and was banned in several states. In addition to showing black-white relationships, the film presented a Communist favorably. "The ending was just as fuzzy as it is in this film," Yarborough said.



Victor Love and Akosua Busia in "Native Son."

LANGUAGE

A Bozo Is Not a Bimbo

By William Safire

WASHINGTON — Senator Joseph R. Biden Jr. of Delaware, in an interview with The Wilmington News-Journal, accused the Reagan Justice Department of choosing for judgeships candidates of "lower and lower standards," and added that the administration could no longer expect to "run these bimbos through anymore."

The administration took heavy umbrage. "It is astonishing," responded Terry Eastland, press agent for the Department of Justice, "that the man likely to be chairman of the Senate Judiciary Committee should use a word like *bimbo* to describe candidates for the bench."

Dan Buck, a Democratic congressional aide whose stationery announces that it is "printed on paper made with recycled fibers," passes on these clippings with this observation: "The word is a gift from Italian, where it means child, infant, or kid. In English, *bimbo* has become a generalized term of disparagement, bringing to mind, perhaps, *nitwit*." Buck also suggests, in greater seriousness, that *airhead* is a current synonym for *bimbo*.

In the United States, an Italian baby is a *bambino*, not a *bimbo*; Robert L. Chapman in the New Dictionary of American Slang records that *Bimbo* was often the name of the monkey holding out the hat for organ grinders.

The word came into American slang at the turn of this century to mean "a menacing man," and was used by writers Dashiell Hammett and Raymond Chandler in the 1930s to mean "a bank robber." P.G. Wodehouse, the British humorist, wrote in 1947 of "*Bimbos* who went about the place making passes at innocent girls after discarding their wives." However, a second sense developed in the United States of "a prostitute," and the word lent itself to alliteration with the adjectives *bland* and *blowzy*. In this generation, *bimbo* has come to mean "a woman of easy morals," usually calling up the image of one glitzily attractive, bosomy and leggy, and devoid of cunning: *airhead* and *dumbo* are the frequent derogations of these armpieces, who are sometimes not as lamebrained as they try to appear.

Because of that female connotation, this cannot be the word that Biden had in mind. I think a related word, *bozo*, was what he was reaching for: *bozo* is often used as the name of a clown, and is applied to any person (usually, but not particularly, male) of large size and sappy expression. *Bozo* is of uncertain origin, but speculations include "a Spanish dialectal word from *vosotros* (the plural "you"), a rhyming compound formed from *bo* (a variant spelling of *beau*) and the Spanish *boza*, a word for the facial hair of youths.

An irritated and critical senator might easily, and without risk of effective riposte, object to an administration "running these *bozos* through anymore." It is synonymous with "these clowns," and is a locution that politicians are reluctant to thunder against: "I am not a *bimbo*" would be acceptable from a sitting judge, but a political leader would flirt with pomposity by insisting, "I am not a *bozo*."

"YES," said President Reagan affirmatively, in defense of his stewardship of foreign policy, "it is in our interest to stand with those who would take arms against the sea of darkness."

That was a play on a Shakespearean phrase that is often misunderstood. Hamlet, contemplating self-destruction in his "To be, or not to be" soliloquy, asks, "Whether 'tis nobler in the mind to suffer / The slings and arrows of outrageous fortune, / Or to take arms against a sea of troubles, / And by opposing end them?"

A sea of troubles was, in Shakespeare's day, a way of characterizing this weary life: it did not mean a whole bunch of difficulties as much as it stood for life itself. Just as an optimist in the 1930s would think of life as a *bowl of cherries*, a pessimist in Elizabethan times would call it a *sea of troubles*.

Today, the *sea of troubles* has lost its figurative meaning of "life," and is taken to mean only the oceanful of heavy problems; in a similar way, a *bowl of cherries* is a dish of fruit with pits.

Reagan's *take arms against the sea of darkness* gets the quotation wrong and mixes the metaphor: if he wants to dispel a sea of darkness, he should set sail against it or illuminate it with the flares of pitiless publicity.

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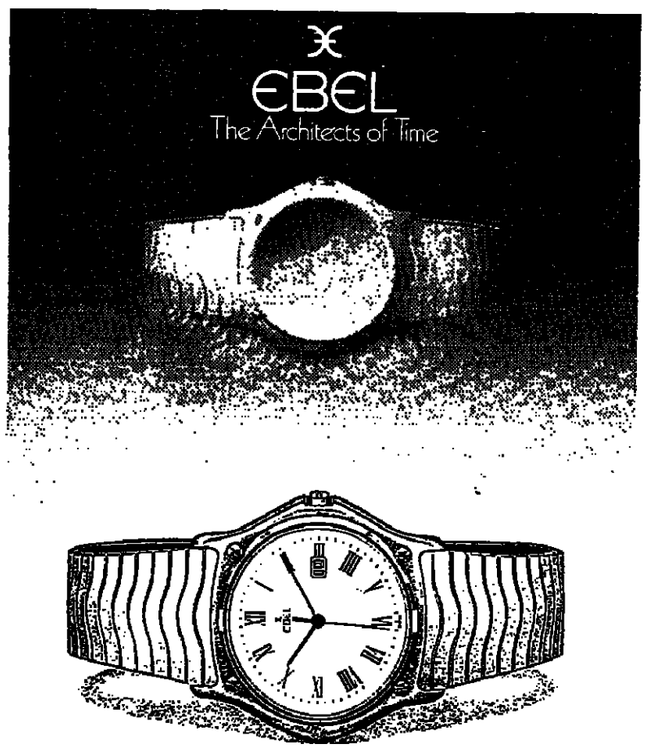
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